RSPO P&C CERTIFICATION AUDIT REPORT

(SYARIKAT KRETAM MILL SDN. BHD.)

Audit Application Number:	PC25-003109
Assessment Type:	Annual Surveillance Audit 3
Date of Audit:	19th May 2025 – 23th May 2025
Audit Report Number:	01
Revision Number:	0
Audit Report Date	24th August 2025

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1. Certification Body Background

1.1 Description of Certification Body

Certification Body Information	
Name of Certification Body	SIRIM QAS International Sdn Bhd
Address of Certification Body (Accredited Office)	Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri, Section 2, P.O. Box 7035, 40700 Shah Alam, Selangor, Malaysia.
Background of the Certification Body	SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS) and the International Automotive Task Force (IATF). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia. SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & ISO 45001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and re-accredited by ASI on 28 September 2024 (accredited since 2014).
Phone Number (Accredited Office)	(603) 5544 6119
Websites	https://www.sirim-qas.com.my
Contact Person Name	Kamini Sooriamoorthy
Email	kamini@sirim.my
Accreditation Information	
ASI Code	ASI-ACC-065
Technical Scope	RSPO P&C, RSPO SCC
Geographical Scope	Malaysia and Indonesia
Accredited Since	27 September 2014

2. Organisation Details and Certification Scope

2.1.Organisational Overview

Management Unit Information ***Note: Management Unit refers to unit of certification***	
Name of Management Unit/s	KRETAM HOLDINGS BERHAD
Address of the Management Unit/s	Syarikat Kretam Mill Sdn. Bhd. Off Km 45 Sandakan – Lahad Datu Highway Sandakan Sabah
Country	Malaysia
Websites	https://www.kretam.com/
Description of the Management Unit	Syarikat Kretam Mill Sdn. Bhd. and its supply bases, owned by Kretam Holdings Berhad (KHB), are located at Bode Estate, Sandakan, Sabah, Malaysia. The company was transferred to SIRIM QAS on 21 May 2020. KHB is a plantation organization with operations in three regions: Sandakan, Tawau, and Lahad Datu, Sabah, Malaysia. There are three mills, one in each region, as well as a refinery in the Sandakan region. The supply bases for Syarikat Kretam Mill Sdn. Bhd. consists of five estates: Bode, Sapagaya, Bukit Sekong, Masang, and Seraya. The palm oil mill operates with a processing capacity of 60 MT FFB/hr. The CU holds ISCC certification in addition to RSPO P&C, Supply Chain, and MSPO certifications.
Management Representative Name	Spencer Joseph
Management Representative Designation	Assistant Manager HR & Sustainability
Management Representative Email	spencer@kretam.com

2.2.RSPO Membership Information

RSPO Membership Information	
RSPO Membership No.	1-0189-15-000-00
Name of RSPO Member	KRETAM HOLDINGS BERHAD
Member Since	16th September 2015

2.3.Certificate Information

Certificate Information	
Certificate No.	RSPO-PC 00133
prisma Document Reference Number	*n/a*
prisma Trading Account ID	TA25-017100
Scope of Certification	Production Of Sustainable Crude Palm Oil And Palm Kernel Using The Identity Preserved (IP) Supply Chain Model.
Supply Chain Model	☒ Identity Preserved (IP) ☐ Mass Balance (MB)
Applicable Standards / Normative Reference	☒ RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2018 ☒ RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard 2020 ☐ RSPO Management System Requirements for Group Certification of FFB Production 2022 ☒ RSPO Rules on Market Communication and Claims 2022
National Interpretation (NI)	Malaysia National Interpretation
Initial Date of Certification:	15-06-2016
Effective Date of Certificate:	18-07-2022
Expiry Date of Certificate:	17-07-2027
Name of Peer Reviewer	Only for the case of IC or RC

3. Description of the Management Unit

Information of Palm Oil Mill					
Name of Palm Oil Mills	**prisma Site Business ID**	**Address of Palm Oil Mill**	**Mill's capacity (MT/hour)**	**GPS Coordinates**	
				Latitude	**Longitude**
Kretam Palm Oil Mill	ML25-001403	Off KM 45, Sandakan – Lahad Datu Highway, Sandakan, Sabah.	60 Mt/hour	5.656944	117.837499
Remarks: Not applicable					

Information of Supply Bases					
Name of Supply Bases	**prisma Supply Base ID**	**Address of Supply Bases**	**Type of Supply Bases**	**GPS Coordinates**	
				Latitude	**Longitude**
Bode Estate	SB25-003785	Off KM 45, Sandakan – Lahad Datu Highway, Sandakan, Sabah.	Own/Managed Estate	5.643611	117.831666

Masang Estate	SB25-005091	Off KM 45, Sandakan – Lahad Datu Highway, Sandakan, Sabah.	Own/Managed Estate	5.663055	117.865277
Sapagaya Estate	SB25-005751	KM 82, Jalan Lahad Datu – Sandakan, Kinabatangan.	Own/Managed Estate	5.581111	118.018333
Bukit Sekong Estate	SB25-003838	Batu 60, Jalan Sukau, Kinabatangan.	Own/Managed Estate	5.603333	117.9025
Seraya Estate	SB25-005759	Mile 50, Labuk Road, Segaliud-Lokan, 90200, Kinabatangan.	Own/Managed Estate	5.644166	117.601388

3.1. Area Statement of the Management Unit

Area Statement of Supply Bases									
Name of Supply Base	Certified Area (Ha)	Planted Area (Ha)			Unplanted Area (Ha)				
		Oil palm planted on non peatland	Oil Palm Planted on Peat	Other Crop(s)	HCV	HCS	HCV-HCS	Conservation	Facilities / Others
Bode Estate	3,472.82	2,814.92	0	0	200	0	0	218.17	239.73
Masang Estate	3,178.62	2,941.56	0	0	50	0	0	96.02	91.04
Sapagaya Estate	3,049.77	2,998.18	0	0	0	0	0	11.25	40.34
Bukit Sekong Estate	956.96	867.81	0	0	0	0	0	51.12	38.03
Seraya Estate	853.43	752.24	0	0	0	0	0	18.92	82.27
TOTAL	11,511.60	10,374.71	0	0	250	0	0	395.48	491.41

Remarks:
Changes to planted area (Masang Estate) 2025
i) The total planted area increased by 20 hectares for oil palm planting due to reallocation of land previously designated for Acacia tree planting area. This involved reverting 20 hectares of softwood planting back to oil palm cultivation.
ii) 1.90 hectares removed from planted area (block 24MJ4) due to slope area.

3.2. Age Profile of the Management Unit

Name of the Supply Base	Land size (Ha) by age of the Oil Palm				Production Area (Ha)	Total Planted Area (Ha)
	0 - 3 Phase 1	4-6 Phase 2	7-18 Phase 3	≥19 Phase 4		
Bode Estate	898.21	166.51	843.71	906.49	1,916.71	2,814.92
Masang Estate	459.28	154.60	1811.80	515.88	2,482.28	2,941.56
Sapagaya Estate	426.31	0	1,501.55	1,070.32	2,571.87	2,998.18
Bukit Sekong Estate	101.11	0	766.70	0	766.70	867.81
Seraya Estate	72.84	62.32	617.08	0	679.40	752.24
TOTAL (ha)	1,957.75	383.43	5,540.84	2,492.69	8,416.96	10,374.71
Remarks: Not applicable						

Notes: This age profile range is used based on the common phase of oil palm age as referred in https://www.researchgate.net/publication/327527812.

3.3. Replanting Programme of the Management Unit (5 Years)

Name of the Supply Base	Land area (ha) by year					Total Area (Ha)
	2025	2026	2027	2028	2029	
Bode Estate	127.72	0	242.88	214.40	0	585.00
Masang Estate	207.06	55.06	267.33	235.12	214.26	978.83
Sapagaya Estate	223.09	222.15	210.84	193.79	273.61	1,123.48
Bukit Sekong Estate	41.51	0	0	0	0	41.51
Seraya Estate	0	0	0	0	0	0
TOTAL (ha)	599.38	277.21	721.05	643.31	487.87	2,728.82

Notes: 1st year of the replanting programme will be the current year of the audit

3.4. Name FFB Supplier Supplying FFB to the Mill (Certified FFB)

Name of other FFB Suppliers	Type of FFB Suppliers	GPS Coordinates		FFB received by the mil (MT) *During the current license period
		Latitude	Longitude	
Segaliud Estate – SD Guthrie Plantation (Sabah) Sdn Bhd	Certified outgrower	5.723503	117.786791	1,531.84
			TOTAL	1,531.84

3.5 Name FFB Supplier Supplying FFB to the Mill (Un-Certified FFB) – Not Applicable

Name of other FFB Suppliers	Type of FFB Suppliers	GPS Coordinates		FFB received by the mil (MT) *During the current license period
		Latitude	Longitude	
	choose an item	i.e. XX. XXXXX	i.e. XXX. XXXXX	
			TOTAL	

3.6 Projected Certified Volume for Next License

Information of New License		
Next License Period	Start Date	18/9/2025
	End Date	17/7/2026
Projected Certified FFB Volume (MT)	205,691	
Average Production Yield (MT/ Ha)	19.86	
Projected CSPO Certified Volume (MT)	Identity Preserved	43,195.11
	Mass Balance	0
Projected CSPK Certified Volume (MT)	Identity Preserved	9,256.10
	Mass Balance	0
Oil Extraction Rate (OER) (%)	21.0	
Kernel Extraction Rate (KER) (%)	4.5	

3.7 Information of Previous & Current License (Identity Preserved)

Name of Palm Oil Mill	Syarikat Kretam Mill Sdn Bhd			
Information of License	**Previous Year License**		**Current Year License**	
License Period	Start Date	18/07/2023	Start Date	18/08/2024
	End Date	17/08/2024	End Date	17/09/2025
Actual Production Period Reported	From	18/07/2023	From	18/08/2024
	To	17/08/2024	To	30/04/2025
Projected FFB Certified Volume (MT)	204,050		204,289	
Actual production of FFB (MT)	164,240.01		87,884.64	
Projected CSPO Certified Volume (MT)	44,936.88		44,970	
Actual CSPO Production Volume (MT)	33,758.97		18,288.92	
Actual CSPO Volume Sold as RSPO Certified (MT)	35,900.80		17,531.32	
Actual CSPO Volume Sold as Conventional (MT)	0.00		0.00	
Actual CSPO Volume Sold under Other Scheme (MT)	0.00		0.00	
Total Actual CSPO Volume Sold (MT)	35,900.80		17,531.32	
Actual CSPO credits sold (where applicable)	0.00		0.00	

Projected CSPK Certified Volume (MT)	9,207.14	9,176
Actual CSPK Production Volume (MT)	7,657.07	4,142.73
Actual CSPK Volume Sold as RSPO Certified (MT)	7,631.77	4,065.23
Actual CSPK Volume Sold as Conventional (MT)	0.00	0.00
Actual CSPK Volume Sold under Other Scheme (MT)	0.00	0.00
Total Actual CSPK Volume Sold (MT)	7,631.77	4,065.23

3.8 Information of Previous & Current License (Mass Balance) – Not Applicable

Name of Palm Oil Mill				
Information of License	**Previous Year License**		**Current Year License**	
License Period	Start Date	DD Mmm YYYY	Start Date	DD Mmm YYYY
	End Date	DD Mmm YYYY	End Date	DD Mmm YYYY
Actual Production Period Reported	From	DD Mmm YYYY	From	DD Mmm YYYY
	To	DD Mmm YYYY	To	DD Mmm YYYY
Projected FFB Certified Volume (MT)				
Actual production of FFB (MT)				
Projected CSPO Certified Volume (MT)				
Actual CSPO Production Volume (MT)				
Actual CSPO Volume Sold as RSPO Certified (MT)				
Actual CSPO Volume Sold as Conventional (MT)				
Actual CSPO Volume Sold under Other Scheme (MT)				
Total Actual CSPO Volume Sold (MT)				
Actual CSPO credits sold (where applicable) (MT)				

Projected CSPK Certified Volume (MT)		
Actual CSPK Production (MT)		
Actual CSPK Volume Sold as RSPO Certified (MT)		
Actual CSPK Volume Sold as Conventional (MT)		
Actual CSPK Volume Sold under Other Scheme (MT)		
Total Actual CSPK Volume Sold (MT)		

4. Audit Programme

4.1. Audit Methodology

The audit covered the Syarikat Kretam Mill palm oil mill and four (4) of its supply base. The sampling methodology applies for supply base with higher than four estates. The sampling shall be conducted in conformance with the requirement specified in the RSPO Certification Systems Document, Nov 2020. The Syarikat Kretam Mill and supply base covered during the audit are Bode Estate, Masang Estate, Bukit Sekong Estate and Sapagaya Estate. The audit included an on-site audit to the estates and mill facilities to verify the implementation of the requirement of the certification.

4.2. Audit Team Member

Name	Role	CAB Auditor Number
Rohazimi Mat Nawi (RMN)	Lead Auditor	ASI1P4D2WW
Rozaimee Ab Rahman (RAR)	Auditor	ASI1AU6HF7
Amir Bahari (AB)	Auditor	ASI1HR2NNE
Ismail Adnan Abdul Malek (IA)	Auditor	ASI13MZBJC

4.3. Audit Plan

Date	Time	CAB Auditor Number	Location	Activity
19 May 2025	09.00am - 5.00pm	ASI1P4D2WW (RMN) ASI1AU6HF7 (RAR) ASI13MZBJC (IA)	Masang Estate	RMN Coverage of assessment: P1 = P7 (Safety & Environment) ▪ Facilities at workplace inspection (water treatment plant, diesel genset, clinic, stores, workshop, landfill area & etc. ▪ Waste management including disposal site ▪ Aspects/impacts of estate management ▪ Pollution mitigating plans ▪ River system and Effluent Treatment/Discharge ▪ Safety & Health practice – witness activities at site ▪ Hazard identification and Risk Management Site visit at Gen Set Area, Workshop, Scheduled Waste Store, landfill, Water treatment plant, chemical store and premix area. RAR **Coverage of assessment: P1 – P7 (Social External & HCV) & P1 – P7 (GAP)** ▪ Facilities provided at housing inspection, mosque/surau, community center, School/CLC, Humana/Crèche, provision shop & etc. ▪ Site inspection/interview at production area – Harvesting operation and spraying operation. ▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans. ▪ Interview with Union/workers representatives. ▪ Interview with gender committee, worker representative, contractors' workers, supplier, etc. ▪ Workers Issues & welfare ▪ Site inspection/interview at production area –Harvesting operation. ▪ Safety & Health practice – witness activities at site ▪ Good agriculture practices implementation ▪ Controlled/open burning. ▪ Chemical management Site visit at harvesting, manuring and spraying. IA **Coverage of assessment: P1 – P7 (Social Internal)** ▪ Interview with external stakeholders i.e. contractors, local communities, government agencies, NGO, smallholders, etc. ▪ Site visit at HCV area, Mill/Estate Boundary, adjacent and neighboring land use.

				▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans. ▪ Local sustainable development ▪ Support smallholder inclusion ▪ Complaints and grievances ▪ External stakeholders' issues & welfare ▪ HCV/RTE and action plan ▪ Buffer/Riparian Zones Site visit at boundary, HCV area and buffer zone.
20 May 2025	09.00am - 5.00pm	ASI1P4D2WW (RMN) ASI1AU6HF7 (RAR) ASI1HR2NNE (AB) ASI13MZBJC (IA)	Sapagaya Estate	RMN Coverage of assessment: P1 = P7 (Safety & Environment) ▪ Facilities at workplace inspection (water treatment plant, diesel genset, clinic, stores, workshop, landfill area & etc. ▪ Waste management including disposal site ▪ Aspects/impacts of estate management ▪ Pollution mitigating plans ▪ River system and Effluent Treatment/Discharge ▪ Safety & Health practice – witness activities at site ▪ Hazard identification and Risk Management Site visit at Gen Set Area, Workshop, Scheduled Waste Store, landfill, Water treatment plant, chemical store and premix area. RAR **Coverage of assessment: P1 – P7 (Social External & HCV)** Facilities provided at housing inspection, mosque/surau, community center, School/CLC, Humana/Crèche, provision shop & etc. ▪ Site inspection/interview at production area – Harvesting operation and spraying operation. ▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans. ▪ Interview with Union/workers representatives. ▪ Interview with gender committee, worker representative, contractors' workers, supplier, etc. ▪ Workers Issues & welfare Site visit at harvesting, manuring and spraying. IA **Coverage of assessment: P1 – P7 (Social Internal)** ▪ Interview with external stakeholders i.e. contractors, local communities, government agencies, NGO, smallholders, etc.

				▪ Site visit at HCV area, Mill/Estate Boundary, adjacent and neighboring land use. ▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans. ▪ Local sustainable development ▪ Support smallholder inclusion ▪ Complaints and grievances ▪ External stakeholders' issues & welfare ▪ HCV/RTE and action plan ▪ Buffer/Riparian Zones Site visit at boundary, HCV area and buffer zone. AB **Coverage of assessment: & P1 – P7 (GAP)** ▪ Site inspection/interview at production area – Spraying Harvesting ▪ Safety & Health practice – witness activities at site ▪ Good agriculture practices implementation ▪ Controlled/open burning. ▪ Chemical management
21 May 2025	9.00am - 5.00pm	ASI1P4D2WW (RMN) ASI1AU6HF7 (RAR) ASI1HR2NNE (AB) ASI13MZBJC (IA)	Seraya Estate	RMN Coverage of assessment: P1 = P7 (Safety & Environment) ▪ Facilities at workplace inspection (water treatment plant, diesel genset, clinic, stores, workshop, landfill area & etc. ▪ Waste management including disposal site ▪ Aspects/impacts of estate management ▪ Pollution mitigating plans ▪ River system and Effluent Treatment/Discharge ▪ Safety & Health practice – witness activities at site ▪ Hazard identification and Risk Management Site visit at Gen Set Area, Workshop, Scheduled Waste Store, landfill, Water treatment plant, chemical store and premix area. RAR **Coverage of assessment: P1 – P7 (Social External & HCV)** Facilities provided at housing inspection, mosque/surau, community center, School/CLC, Humana/Crèche, provision shop & etc. ▪ Site inspection/interview at production area – Harvesting operation and spraying operation. ▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans. ▪ Interview with Union/workers representatives.

				▪ Interview with gender committee, worker representative, contractors' workers, supplier, etc. ▪ Workers Issues & welfare Site visit at harvesting, manuring and spraying. IA **Coverage of assessment: P1 – P7 (Social Internal)** ▪ Interview with external stakeholders i.e. contractors, local communities, government agencies, NGO, smallholders, etc. ▪ Site visit at HCV area, Mill/Estate Boundary, adjacent and neighboring land use. ▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans. ▪ Local sustainable development ▪ Support smallholder inclusion ▪ Complaints and grievances ▪ External stakeholders' issues & welfare ▪ HCV/RTE and action plan ▪ Buffer/Riparian Zones Site visit at boundary, HCV area and buffer zone. AB **Coverage of assessment: & P1 – P7 (GAP)** ▪ Site inspection/interview at production area – Spraying, Harvesting ▪ Safety & Health practice – witness activities at site ▪ Good agriculture practices implementation ▪ Controlled/open burning. ▪ Chemical management
22 May 2025	9.00am - 5.00pm	ASI1P4D2WW (RMN) ASI1AU6HF7 (RAR) ASI1HR2NNE (AB) ASI13MZBJC (IA)	Bode Estate	RMN Coverage of assessment: P1 = P7 (Safety & Environment) ▪ Facilities at workplace inspection (water treatment plant, diesel genset, clinic, stores, workshop, landfill area & etc. ▪ Waste management including disposal site ▪ Aspects/impacts of estate management ▪ Pollution mitigating plans ▪ River system and Effluent Treatment/Discharge ▪ Safety & Health practice – witness activities at site ▪ Hazard identification and Risk Management

				Site visit at Gen Set Area, Workshop, Scheduled Waste Store, landfill, Water treatment plant, chemical store and premix area. RAR **Coverage of assessment: P1 – P7 (Social External & HCV)** Facilities provided at housing inspection, mosque/surau, community center, School/CLC, Humana/Crèche, provision shop & etc. ▪ Site inspection/interview at production area – Harvesting operation and spraying operation. ▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans. ▪ Interview with Union/workers representatives. ▪ Interview with gender committee, worker representative, contractors' workers, supplier, etc. ▪ Workers Issues & welfare Site visit at harvesting, manuring and spraying. IA **Coverage of assessment: P1 – P7 (Social Internal)** ▪ Interview with external stakeholders i.e. contractors, local communities, government agencies, NGO, smallholders, etc. ▪ Site visit at HCV area, Mill/Estate Boundary, adjacent and neighboring land use. ▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans. ▪ Local sustainable development ▪ Support smallholder inclusion ▪ Complaints and grievances ▪ External stakeholders' issues & welfare ▪ HCV/RTE and action plan ▪ Buffer/Riparian Zones Site visit at boundary, HCV area and buffer zone. AB **Coverage of assessment: & P1 – P7 (GAP)** ▪ Site inspection/interview at production area – Spraying Operation at block 10ND2 in division 3, Harvesting at block)9NC1/2 in division 3. ▪ Safety & Health practice – witness activities at site ▪ Good agriculture practices implementation ▪ Controlled/open burning.

				▪ Chemical management
23 May 2025	9.00am - 5.00pm	ASI1P4D2WW (RMN) ASI1AU6HF7 (RAR) ASI1HR2NNE (AB) ASI13MZBJC (IA)	*Kretam Palm Oil Mill*	RMN Coverage of assessment: P1 = P7 (Safety & Environment) ▪ Facilities at workplace inspection (water treatment plant, diesel genset, clinic, stores, workshop, landfill area & etc. ▪ Waste management including disposal site ▪ Aspects/impacts of estate management ▪ Pollution mitigating plans ▪ River system and Effluent Treatment/Discharge ▪ Safety & Health practice – witness activities at site ▪ Hazard identification and Risk Management Site visit at Gen Set Area, Workshop, Scheduled Waste Store, landfill, Water treatment plant, chemical store and premix area. RAR **Coverage of assessment: P1 – P7 (Supply Chain)** IA **Coverage of assessment: P1 – P7 (Social Internal)** ▪ Interview with external stakeholders i.e. contractors, local communities, government agencies, NGO, smallholders, etc. ▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans. ▪ Local sustainable development ▪ Support smallholder inclusion ▪ Complaints and grievances ▪ External stakeholders' issues & welfare Facilities provided at housing inspection, mosque/surau, community center, School/CLC, Humana/Crèche, provision shop & etc. ▪ Site inspection/interview at production area – Harvesting operation and spraying operation. ▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans. ▪ Interview with Union/workers representatives. ▪ Interview with gender committee, worker representative, contractors' workers, supplier, etc. ▪ Workers Issues & welfare

				AB **Coverage of assessment: & P1 – P7 (GAP)** ▪ Site inspection/interview at production area – Spraying Operation and Harvesting. ▪ Safety & Health practice – witness activities at site ▪ Good agriculture practices implementation ▪ Controlled/open burning. ▪ Chemical management

Notes: Include the number of hours spent at the sample sites for each day of the audit, including the time for the opening and closing meeting

4.4. Changes of the initial audit plan (if applicable)

No change to initial audit plan.

4.5. Sampling Details

Description of Management Unit	Number of Estate/Members/Mills	Risk Factor	Result x = (√y) x (z)	Total Sampled
Mill	1	N/A	N/A	All mills shall be audited.
Own/Managed Estates	5	Low Risk	2.24	4
Scheme Smallholder		Choose an item		
Scheme Outgrower		Choose an item		
Independent Outgrower		Choose an item		

Notes: Auditing is based on a sampling process of the available information

4.6. Sampling History of Current Certification Cycle

Name (Mill/ Supply Base / Scheme Smallholder)	Year 1	Year 2	Year 3	Year 4	Year 5
	2023	2024	2025	20xx	20xx
Kretam Mill	☒	☒	☒	☐	☐
Bode Estate	☒	☒	☒	☐	☐
Masang Estate	☒	☒	☒	☐	☐
Sapagaya Estate	☐	☒	☒	☐	☐
Bukit Sekong Estate	☒	☒	☐	☐	☐
Seraya Estate	☒	☒	☐	☐	☐

4.7. Audit Team Leader and Audit Team Information

Audit Team Leader: Rohazimi Mat Nawi	
Requirements	**Description**
At least five (5) years of field experience in the palm oil sector, health and safety, or environmental management. These include experience in HCV and HCS assessment, social auditing, or involvement in human rights activities;	Had more than 5 years in the palm oil sector, health and safety, environmental management and other sustainability audit such as MSPO.

A supervised (by a qualified lead auditor) period of training in practical audits against the RSPO P&C and/or RSPO ISH standard, with a minimum of 15 days audit experience in at least three (3) audits;	Had attended training RSPO P&C and RSPO ISH standard and completed evaluation and qualified as lead auditor RSPO since 2020.	
Successfully completed a refresher course for RSPO endorsed P&C lead auditor course every three (3) years after the initial qualification as lead auditor	Successfully completed refresher course for RSPO endorsed P&C lead auditor course every three (3) years after the initial qualification as lead auditor in 2023.	
Audit Team Members: **Rozaimee Ab Rahman (RAR)** **Ismail Adnan Abdul Malek (IA)** **Amir Bahari (AB)**		
Requirements	**CAB Auditor Number**	**Description**
Possess a bachelor's degree or tertiary education in related disciplines, such as agriculture, environmental science or social sciences, etc;	*ASI1P4D2WW (RMN)*	Hold B. Sc (Hons) Chemical_Gas Engineering from Universiti Teknologi Malaysia
	ASI1HR2NNE (AB)	Hold a Bachelor of Science in Chemistry from Universiti Sains Malaysia Pulau Pinang in 1985. Also possessed a Diploma in Palm Oil Milling Technology and Management from MPOB 1996. A registered chemist with Institut Kimia Malaysia no A1816/4166/01 with title of Ch.M
	ASI1AU6HF7 (RAR)	Holds a B. Sc. of Agriculture from UPM.
	ASI13MZBJC (IA)	*Hold a Masters of Forestry degree in Forest Management/Harvesting from University of British Columbia, Canada in 1988. Also possessed a Diploma in Management Programme MIM 1994. A registered Forester with Institut Rimbawan Malaysia(IRIM) .*
At least three (3) years of field experience in the palm oil sector, health and safety, or environmental management. These include experience in HCV and HCS assessment, social auditing or involvement in human rights activities	ASI1HR2NNE (AB)	Experience in auditing in palm oil industry with more than ten years. Experience in consulting, internal auditor and Training Management for various program such as MSPO, ISCC and ISO.
	ASI1AU6HF7 (RAR)	He had 7 years of working experience in the oil palm operation.
	ASI13MZBJC (IA)	Has more than 30 years of field combined experience in forestry management which included responsibilities for management of health and safety, environmental management and social management gained from

		employment as Forestry Officer, Forest Superintendent and Senior Lecturer/Consultant at Universiti Putra Malaysia (UPM) Serdang. Working experiences included HCV and HCS management and assessment. Social auditing included more than 10 years as RSPO, MSPO and FMC (Natural Forest and Plantation Management) and PEFC Forest Chain of Custody Certification (COC) Audit.
Successfully completed an RSPO endorsed P&C lead auditor course	*ASI1P4D2WW (RMN)*	Completed RSPO endorsed P&C lead auditor course in 2020 by Chemark Training and passed refresher in 2023.
	ASI1HR2NNE (AB)	Completed RSPO endorsed P&C lead auditor course in 2020 by Chemark Training and passed refresher in 2022.
	ASI1AU6HF7 (RAR)	Completed RSPO endorsed P&C lead auditor course in 2017 by Chemark Training and passed refresher in 2024.
	ASI13MZBJC (IA)	Completed RSPO endorsed P&C lead auditor course in 2020 by Chemark Training and passed refresher in 2023.
Successfully completed the 5-day lead auditor course for ISO 9001 or ISO 14001 or ISO 45001.	*ASI1P4D2WW (RMN)*	Successfully attended Integrated Management System lead assessor course in 2015.
	ASI1HR2NNE (AB)	Has completed training of ISO 9001 in April 1991 and ISO 14001 Lead Auditor Course in May 1997. Attended and completed OHSAS 18001 course in 2005.
	ASI1AU6HF7 (RAR)	Successfully attended 5-day lead auditor course for ISO 9001, ISO 14001 and ISO 45001 in 2016, 2018.
	ASI13MZBJC (IA)	Successfully attended 5-day lead auditor course for ISO 9001 and ISO 14001
Demonstrable understanding of the latest version of RSPO Certification Systems	*ASI1P4D2WW (RMN)*	Can demonstrate of the latest version of RSPO Certification Systems
	ASI1HR2NNE (AB)	Capable of demonstrating knowledge and application of the latest version of the RSPO Certification Systems.
	ASI1AU6HF7 (RAR)	Capable of demonstrating knowledge and application of the latest version of the RSPO Certification Systems.
	ASI13MZBJC (IA)	Capable of demonstrating knowledge and application of the

		latest version of the RSPO Certification Systems.
For auditors verifying compliance with NPP procedures, auditors shall additionally be trained in the assessment of compliance with FPIC, HCV and HCS requirements in the context of RSPO NPP procedure	*ASI1P4D2WW (RMN)*	This has not been audited and is deemed not applicable.
	ASI1HR2NNE (AB)	This has not been audited and is deemed not applicable.
	ASI1AU6HF7 (RAR)	This has not been audited and is deemed not applicable.
	ASI13MZBJC (IA)	This has not been audited and is deemed not applicable.
A supervised (by a qualified auditor/lead auditor) period of training in practical audit against the RSPO P&C, with a minimum of 10 days of audit experience in at least two (2) audits.	ASI1HR2NNE (AB)	Undergone during the process of internal qualification review.
	ASI1AU6HF7 (RAR)	Undergone during the process of internal qualification review.
	ASI13MZBJC (IA)	Undergone during the process of internal qualification review.
Knowledgeable and experience of the local/regional laws	*ASI1P4D2WW (RMN)*	Knowledgeable and experience of the local/regional laws
	ASI1HR2NNE (AB)	He possesses extensive knowledge and experience in understanding, interpreting, and applying local and regional laws.
	ASI1AU6HF7 (RAR)	He possesses extensive knowledge and experience in understanding, interpreting, and applying local and regional laws.
	ASI13MZBJC (IA)	He possesses extensive knowledge and experience in understanding, interpreting, and applying local and regional laws.
Knowledgeable in Best Agricultural Practices, and Integrated Pest Management, pesticide and fertiliser use;	*ASI1P4D2WW (RMN)*	Had more than 5 years of working experience in the palm oil mill operation
	ASI1HR2NNE (AB)	He has over more than 10 years of working experience in oil palm operations.
	ASI1AU6HF7 (RAR)	He has over 5 years of working experience in oil palm operations.
	ASI13MZBJC (IA)	He had 5 years of working experience in the oil palm operation.
Experience in health and safety auditing on the farm/plantation and in the palm oil mill, for example against the ISO 45001 Occupational Health and Safety Management standard;	*ASI1P4D2WW (RMN)*	Had more than 5 years of working experience in the oil palm operation and auditing health and safety
	ASI1HR2NNE (AB)	Had more than 5 years of working experience in the oil palm operation and auditing health and safety
	ASI1AU6HF7 (RAR)	Had more than 5 years of working experience in the oil palm operation and auditing health and safety
	ASI13MZBJC (IA)	Had more than 5 years of working experience in the oil palm

		operation and auditing health and safety
Experience in handling workers' welfare or social auditing experience, such as experience with the SA8000 or other international sustainability scheme that has the social auditing requirements. The auditor auditing the social requirements shall have successfully attended the internationally recognised social auditing standard training, such as the SA8000, Social Systems (SMETA) Auditor Training or social training recognised by RSPO;	*ASI1P4D2WW (RMN)*	Not audit
	ASI1HR2NNE (AB)	Not audit
	ASI1AU6HF7 (RAR)	He attended SA 8000 training in 2018 and SMETA training in 2021. He has over 5 years of experience in oil palm operations and social auditing, demonstrating a strong understanding of ethical practices and compliance with social standards.
	ASI13MZBJC (IA)	Demonstrated expertise in managing workers' welfare of Forestry Management day-to-day operation and gained through over thirty years of experience as Forester and Educator/Consultant at Forest Companies and UPM ensuring compliance with labor standards and promoting a safe and supportive work environment. He attended SMETA training in 2021.
Experience in handling of land rights, gender and indigenous peoples' issues;	*ASI1P4D2WW (RMN)*	Not audit.
	ASI1HR2NNE (AB)	Experienced in addressing land rights, gender equality, and indigenous peoples' issues, gained through over thirty years as an Estate and Palm Oil Mill Manager at publicly listed plantation organization, complemented by an additional 10 years conducting MSPO and RSPO audits across multiple oil palm companies.
	ASI1AU6HF7 (RAR)	He attended SA 8000 training in 2018 and SMETA training in 2021. He has over 5 years of experience in oil palm operations and social auditing, demonstrating a strong understanding of ethical practices and compliance with social standards.
	ASI13MZBJC (IA)	Experienced in addressing land rights, gender equality, and indigenous peoples' issues, gained through over thirty years as Forestry Manager and Educator/Consultant in Forest Companies and UPM complemented by an additional 10 years conducting MSPO, RSPO,

		FMC and COC across multiple oil palm and forestry companies.
Experience in environmental and ecological auditing or assessments, such as experience with High Conservation Value (HCV)/High Carbon Stock (HCS) assessments, organic agriculture or the ISO 14001 Environmental Management Systems standard;	*ASI1P4D2WW (RMN)*	Experience in auditing ISO 14001 Environmental Management Systems standard since 2016.
	ASI1HR2NNE (AB)	Extensive knowledge gained from ten years of conducting MSPO and RSPO audits across multiple oil palm companies.
	ASI1AU6HF7 (RAR)	This criterion and indicator have not been audited.
	ASI13MZBJC (IA)	Extensive knowledge gained from ten years of conducting MSPO and RSPO audits across multiple oil palm companies.
Fluent in one of the main national languages	*ASI1P4D2WW (RMN)*	Fluent in Bahasa Malaysia and English.
	ASI1HR2NNE (AB)	He is fluent in both Bahasa Malaysia and English.
	ASI1AU6HF7 (RAR)	He is fluent in both Bahasa Malaysia and English.
	ASI13MZBJC (IA)	He is fluent in both Bahasa Malaysia and English.
Knowledgeable in supply chain requirements of the palm oil mill. The auditor performing this task shall have successfully completed the RSPO endorsed SCC lead auditor training course. Note: this does not apply for ISH or Group Certification.	*ASI1P4D2WW (RMN)*	Not audited.
	ASI1HR2NNE (AB)	Not audited.
	ASI1AU6HF7 (RAR)	He completed the RSPO Supply Chain Auditor training course in 2019 and has been auditing supply chains since then.
	ASI13MZBJC (IA)	Not audited.

5. Audit Findings & Results

Criterion / Indicator		Audit Findings	Audit Findings (Public Summary)	Results
Principle 1: Behave Ethically and Transparently				
Criterion 1.1: The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.				
1.1.1 (C)	Management documents that are specified in the RSPO P&C are made publicly available and shall include (but are not necessarily limited to): • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1);		KHB Sandakan Region CU continues to follow proper procedures for handling communications and sharing information with stakeholders. Key documents like safety plans, land titles, and grievance procedures are available on www.kretam.com. Communication records are maintained, and all inquiries are responded to promptly. The 2024 Annual Report includes updates on both upstream and downstream operations.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	• Public summary of certification assessment report; Human Rights Policy (Criterion 6.13).			
1.1.2	Information is provided in appropriate languages and made accessible to relevant stakeholders.		Information available in appropriate languages (English/Bahasa) and accessible to relevant stakeholders through sample records of communication maintained in different files depending on the stakeholder. Among the records reviewed were correspondences with the authorities and employees.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
1.1.3 (C)	Records of requests for information and responses shall be maintained.		KHB Sandakan Region CU maintains proper records of information requests and responses, using standard communication procedures and forms. Communication with authorities like DOSH, DOE, and the Labour Department is documented. As of FY2024–2025, no external information requests have been received. The latest internal request was for housing repairs. Relevant environmental, social, and legal information is shared publicly, unless restricted by confidentiality or potential negative impacts.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
1.1.4 (C)	Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by a nominated management official.		KHB Holdings Berhad has established formal procedures to ensure effective communication and consultation with stakeholders, as outlined in Procedure KHB-HR-P08 (Revision 1, effective 1 August 2018). These procedures detail the handling of complaints and social issues, with response timeframes set at two weeks for communication feedback and one week post-investigation. Supporting procedures include the Complaint and Grievance Procedure, Sexual Harassment Complaint Procedure, Information (Transparency) Procedure, and FPIC Procedure. These are available on the company's website (www.kretam.com) and displayed at work sites. Internal communication is further supported through notice boards,	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

			pamphlets, and regular briefings. An online feedback form is also accessible via the company's website. During a special audit on 28–29 April 2025, a Major NCR (NEA 02 2025) was raised due to worker concerns about retaliation for submitting complaints. This issue was addressed and closed as of 16 June 2025.	
1.1.5	There is a current list of contact and details of stakeholders and their nominated representatives.		For FY2025, KHB Sandakan Region CU has updated its stakeholder list at both mill and estate levels. It includes internal stakeholders (e.g., worker reps, women and ethnic leaders) and external stakeholders (e.g., local communities, government agencies, contractors, suppliers, and NGOs). Each stakeholder entry includes a nominated representative with contact details.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.				
1.2.1	A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.		Policy for ethical conduct is available via Code of Conduct & Human Rights Policy signed by Chief Executive Officer (CEO) on 1 March 2020	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.		KHB Sandakan Region CU upholds ethical business practices through its Code of Conduct & Human Rights Policy, signed by the CEO on 1 March 2020. The policy promotes fair business conduct, prohibits corruption and fraud, ensures proper disclosure of information, and protects confidentiality. It is available at www.kretam.com. Audits and interviews confirm the policy is being effectively implemented across operations.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 2: Operate legally and respect rights - Implement legal requirements as the basic principles of operation in any jurisdiction.				
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.				
2.1.1 (C)	The unit of certification complies with applicable legal requirements.		Syarikat Kretam Mill Sdn Bhd CU continued comply with the relevant legal requirements. Compliance to each applicable law and regulation is monitored by the operating units and Sustainability Department. The CU had obtained and renewed license and permits as required by the law. However, the unit of certification does not comply with below legal requirements. •Labour Ordinance of Sabah (Amendment) Act 2025, effective May 2025.	☐ Conform ☒ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
2.1.2	A documented system for ensuring legal compliance is in place. This system has a means to track changes to the law and also includes listing and evidence of legal due diligence of all contracted third parties, recruitment agencies, service providers and labour contractors.		The CU has established a list of Related Laws, Regulations and Guidelines covering all the necessary regulatory requirements. The Register is subject to annual reviewal or as when new Act and Regulations being introduced for implementations with latest review dated 24/04/2025. The Sustainability Department based at Head Office is responsible to track changes in the law and the information was disseminated to all of its plantations and mills. The department is responsible for tracking any changes to the Acts and Regulations.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
2.1.3	Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.		The estates have maps showing the locations of boundary stones that have been physically located and marked. Inspection of boundary stones/markers/trenching at the 4 estates, during the field inspection confirmed that they were clearly marked and maintained.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.				
2.2.1	A list of contracted parties is maintained.		Review of the contract agreement issued to suppliers and contractors contain a clause requiring compliance with applicable legal requirements, which stated in General Terms and Conditions. Evidence of legal due diligence were sighted.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
2.2.2	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.		Contract agreements issued to suppliers and contractors contain clauses requiring compliance with legal requirements and disallowing child, forced, and trafficked labor.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)
2.2.3	All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.		All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. No young workers are employed in the CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources.				
2.3.1 (C)	2.3.1 (C) For all directly sourced FFB, the mill requires: ● Information on geo-location of FFB origins ● Proof of the ownership status or the right/claim to the land by the grower/ smallholder ● Where applicable, valid planting/ operating/ trading license, or is part of a cooperative which allows the buying and selling of FFB		FFB is directly sourced form own estates in KHB CU which are RSPO certified. The only supply of RSPO certified FFB from outside the CU is from SD Guthrie Plantation (Sabah) Sdn Bhd (at RSPO : Latitude 117.786^{0}, Longitude 5.723$^{0)}$, MSPO Cert: CU MS2530-3-894459 valid until 30/09/2027. This supply only one off delivery.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

2.3.2	For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1. PROCEDURAL NOTE: For Implementation Procedure for 2.3.2 refer to Annex 4.		There is no indirect sourced of FFB.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 3: Optimise productivity, efficiency, positive impacts and resilience				
Criterion 3.1: There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.				
3.1.1 (C)	A business or management plan (minimum three years) shall be documented and includes, where applicable, a jointly ☐oped business case for Scheme Smallholders.		Syarikat Kretam Palm Oil Mill and supply base have established and implemented its commitment to a long-term sustainability and financial viability through an operating expenditure /capital expenditure planning. The mill has a budget for financial year Jan-Dec. The five years planning horizon 2025-2029 is available. Similarly, all the estates audited possessed a similar budget format.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.1.2	An annual replanting programme projected for a minimum of five years, is available.		The replanting programm until 2030 was sighted for the estates. This program is reviewed annually (latest being Jan 2025) and is incorporated in their annual financial budget.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.1.3	The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken and has agenda with the following minimum items: Results of internal audits Customer feedback Process performance and product conformity Status of preventive and corrective actions Follow-up actions from management reviews Changes that could affect the management system Recommendations for improvement		The estates and mill within the CU conducted their annual management review meetings on scheduled dates in 2025. Key operational issues specific to each unit were discussed, with meeting minutes reviewed and verified.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 3.2: The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.				

3.2.1 (C)	The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification. Action plans include continual improvement for the following: i. Optimising the yield of the supply base. ii. Reduction in use of pesticides (Criterion 7.2) iii. Environmental impacts (Criteria 3.4, 7.6 and 7.7) iv. Waste reduction (Criterion 7.3) v. Pollution and greenhouse gas (GHG) emissions (Criterion 7.10) vi. Impacts on communities, workers and smallholders (Principle 6) vii. Integrated management of HCV-HCS, peatland and other conservation areas (Criteria 7.7 and 7.12)		The 4 estates and mill had established Continuous Improvement Plan revised dated Jan 2025 upon consideration of the social, operations and environmental impacts. These plans were prepared by the Sustainability Department team in collaboration with the respective Managers and Assistant Managers, with active participation from affected stakeholders. The plan among others includes the following initiatives and operations covering element of both environmental and social.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.2.2	As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template.		Annual monitoring and improvement reports were submitted to the RSPO Secretariat using the official template before the audit. The auditor verified the data, confirming it matched the internal database records.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 3.3: Operating procedures are appropriately documented, consistently implemented and monitored.				
3.3.1 (C)	Standard Operating Procedures (SOPs) for the unit of certification are in place.		The CU had SOPs for each of the processes and continued to be implemented. Brief versions of the SOPs were displayed at the appropriate locations. Copies of the documented SOPs were presented to the audit team. Generally, it was observed that activities being implemented involved safety and health, environment, quality, employees, etc.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.3.2	A mechanism to check consistent implementation of procedures is in place.		Syarikat Kretam Mill Sdn Bhd CU has mechanisms in place to ensure consistent implementation of procedures through regular estate reports, site inspections, internal and RSPO audits, and consultations with the RSPO team and management.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.3.3	Records of monitoring and any actions taken are maintained and available.		Records of monitoring and the actions taken by estates in Syarikat Kretam Mill Sdn Bhd CU continued to be maintained. This was to ensure that the established procedures were consistently implemented.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 3.4: A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.				
3.4.1 (C)	In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/outgrower scheme, is documented.		There are no new plantings or operations within the CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.4.2	For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.		The Social Impact Assessment (SIA) Report dated June/July 2015, which pertains to Sandakan Region, was verified. The assessment took place from June to July 2015 for Kretam Mill, Masang Estate, Bode Estate, Sapagaya Estate, Bukit Sekong Estate and Seraya Estate. All mills and estates have documented aspect and impact analyses. These aim to minimize negative impacts, reduce waste and pollution, support replanting plans, and protect natural resources. Mitigation measures are ongoing to ensure environmental and social responsibility.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.4.3 (C)	The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.		The assessment involved site visits, document reviews, management discussions, and stakeholder interviews near conversion areas. It covered key environmental aspects, with additional feedback gathered through questionnaires and stakeholder meetings. The CU reviews its social management action plans annually, incorporating input from various committee meetings and stakeholder consultations. Key issues addressed include human rights, complaint mechanisms, housing conditions, and community concerns. The latest	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

			external stakeholder meeting was held on 20/09/2024, with feedback recorded in the SIA Time Bound Plan.	☐ Not Applicable (justification required)
Criterion 3.5: A system for managing human resources is in place.				
3.5.1	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives.		KHB has developed employment procedures for recruitment, selection, hiring, promotion, retirement, and termination. The procedure was documented and made available to the workers and their representatives where applicable.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.5.2	Employment procedures are implemented and records are maintained.		KHB Sandakan Region CU has clear procedures for walk-in job applications and employment processes, including a zero recruitment fee policy for foreign workers. Interviews confirmed workers' awareness, and all recruitment costs are covered by management. Employment records for both local and foreign workers are well-documented and maintained. However during special audit conducted, one Minor NCR NEA 01 2025 related to company need refine procedure on the compensation upon termination and this has been closed by LA for special audit dated 16/6/2025.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

3.6.1 (C)	All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.		All estates had established Master list of Safety and Health Risk Assessment with latest updated on 14/03/2025 for 61 activities and location. Site visit at operations and non-operations such as harvesting, spraying, nursery, workshop, water catchment and water treatment are well implemented as OHS plan. However the organization need to improve on the contractor management as per *NCR RMN 01*.	☐ Conform ☒ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.6.2 (C)	The effectiveness of the H&S plan to address health and safety risks to people is monitored		The effectiveness of the H&S plan to address health and safety risks to people are monitored.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 3.7: All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.				
3.7.1 (C)	A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and outgrowers, taking into account gender-specific needs, and which covers applicable aspects of the RSPO P&C, in a form they understand, and which includes assessments of training.		In 2025, all audited estates and the mill implemented formal training programs based on RSPO Principles and Criteria. Training covered legal compliance, safety, environmental practices, chemical handling, and workers' rights. A training needs matrix was used to plan sessions, ensuring comprehensive coverage for staff and workers across key operational areas.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	Training for workers must cover, at minimum, the following: - the health and environmental risks of pesticide exposure; - recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); - International and national instruments or regulations that protect workers' health; - Productivity and best management practice; - relevant SOPs.			
3.7.2	Records of training are maintained, where appropriate on an individual basis.		The records included information on the title of the training, name and signature of the attendees, name of the trainer, time and venue. The CU conducted training on the Minimum Wages Order 2024; however, interviews revealed that some piece-rated workers lacked understanding of wage rights and contract terms. Issues included unclear communication on overtime and contract conditions. As a result, ***Minor NCR RAR 04 2025*** was issued for corrective action.	☐ Conform ☐ Major Nonconformity ☒ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.7.3	Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.		Training on Supply Chain requirements has been conducted on 25/02/2025.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
Criterion 3.8: Supply Chain Requirements for Mills				
3.8.1	Identity Preserved Module A mill is deemed to be IP is the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO P&C, or against a Group Certification Scheme Certification for the CPO mills is necessary to verify the volumes and sourced of certified FFB entering the mill, the implementation of any processing control as and volume sales of RSPO certified products. If a mill processes certified and uncertified FFB without physically separating them, the inly MB Module is applicable.		Kretam Mill sources Fresh Fruit Bunches (FFB) mainly from estates within its CU, including Seraya, Bode, Masang, Sepagaya, and Bukit Sekong Estates. It also receives diversion crops from other certification units and a small amount from a certified outsider. Therefore, the mill operates as an IP mill.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.2	Mass balance Module A mill is deemed to be MB is the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those		Not applicable.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	from its own and 3rd party certified supply base.			☐ Opportunity for Improvement ☒ Not Applicable (justification required)
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.		As in table 3.5 in this report.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.4	The mill shall also meet all registration and reporting. Requirements for the appropriate supply chain through the RSPO IT platform		The mill had registered and as per below: License ID LIC25-00005542 - Active	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.5	Documented Procedures The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model		Syarikat Kretam Mill POM Organizational, management systems and the operational systems, documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	specified. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all elements of the supply chain model requirements b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records) c) Identification of the role of the person having the overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill's procedures for the implementation of this standard. d) The mill shall have documented procedures for receiving and processing certified and non-certified FFB's including ensuring no contamination in the IP mill.			☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.6	Internal Audit (i) The mill shall have a written procedure to conduct an annual internal audit to determine whether the mill; a) Conforms to the requirements in the RSPO SC requirements for		An established Internal Audit Procedure (Rev 2, 10/02/2020) guides annual audits for RSPO SCCS and related standards. The latest audit on 26/04/2025 covered all required elements with no nonconformities found. A management review held on 17/05/2025 addressed system performance, improvements, feedback, and resource needs.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	mills and the RSPO Rules on Market Communication and Claims b) Effectively implements and maintains the standard requirements within its organization. (ii) Any con-conformities found as part of the internal audit shall be issued and required corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mills shall maintain the internal audit records and reports.			☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.7	Purchasing and Goods In (i) The mill shall verify and document. The tonnage and sources of certified and the tonnage of non-certified FFB's received. (ii) The mill shall inform the CB immediately if there is a projected overproduction of certified volume (iii) The ill shall have a mechanism in place for handling of non-conforming FFB and/or documents.		Syarikat Kretam Mill POM sources certified FFB mainly from its own estates and diversion crops from sister and certified outsider estates. Documentation and records for FFB deliveries from May 2024 to April 2025 were verified, showing accurate and traceable information in line with internal procedures and standards.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.8	Sales and Goods Out The supplying mill shall ensure that the following minimum information for RSPO	•	From May 2024 to April 2025, Syarikat Kretam Mill POM received over 150,000 mt of FFB and produced 32,411 mt of CPO, delivering 29,802 mt of certified sustainable palm oil (CSPO) to buyers. The mill also produced	☒ Conform ☐ Major Nonconformity

	certified products is made available in document form. The information shall be complete and can be presented either on a single-documents or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documentation and specification documentation): a) The name and address of buyer; b) The name and address of the seller c) The leading or shipment/delivery date; d) The date on which the documents were issued; e) RSPO certificate number; f) A description of the product, including the applicable supply chain model (IP or MB or the approved abbreviations); g) The quantity of the products delivered; h) Any related transport documentation i) A unique identification number		and dispatched certified sustainable palm kernel (CSPK) to two buyers. Sales and delivery procedures are well-managed, with complete and accurate documentation reflecting RSPO certification details.	☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.9	Outsourcing Activities (i) The mill shall not outsource its milling activities. In cases where the mill outsourced activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO		Kretam POM outsources CPO and PK transportation to Juita Baru Sdn Bhd under a contract dated 03/08/2020, which includes audit access rights. Clear procedures for outsourced activities are documented, and inspections by lab staff are conducted to prevent contamination.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	SC Certification. (ii) The mill shall ensure the following: a) The mill has legal ownership of all input material to be included in outsourced processes b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that CB has access to the outsourcing contractor or operation if an audit is deemed necessary. c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to the respective operations, systems, and all information, when this is announced in advance.			
3.8.10	The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil		Syarikat Kretam Mill POM outsources certified CPO and PK transportation to Juita Baru Sdn Bhd. Contractor representatives participate in stakeholder meetings, which include updates on RSPO standards. The	☒ Conform

	palm products.		agreement ensures certification bodies can access the contractor for audits if needed.	☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.		There is no new contractor has been appointed by the POM.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.12	Record Keeping (i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements. (ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and		Records for CPO and PK deliveries, production data, internal audits, and management reviews are up-to-date and well-maintained, with RSPO Supply Chain documents kept for a minimum of two years. Real-time monitoring of certified products is also in place.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	be able to confirm the certified status of raw materials or products held in stock. (iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. (iv) For Mass Balance Module, the mill: a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.)			
3.8.13	Extraction rate The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from		Syarikat Kretam Mill POM monitors its conversion factors daily using oil extraction rate (OER) and kernel extraction rate (KER), with monthly consolidation for process performance evaluation.	☒ Conform ☐ Major Nonconformity

	the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.			☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.			☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.15	Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.		Syarikat Kretam Mill POM receives only RSPO certified FFB from its own CU estates. Daily monitoring records track FFB tonnage, CPO and kernel production, deliveries, resource consumption, storage, and quality.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.16	Registration of Transactions (i) Shipping Announcement in the RSPO IT platform shall be carried out by the		The procedure in handling of sales and delivery was sighted and found adequate.	☒ Conform

	mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. (ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform			☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.17	Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.		Syarikat Kretam Mill POM has not use RSPO corporate logo as well as trademark logo.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion / Indicator		Audit Findings	Audit Findings (Public Summary)	Results
Principle 4: Respect Community and Human Rights and Deliver Benefits				
Criterion 4.1: The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders				
4.1.1 (C)	A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, supply chain and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.		Kretam Mill CU has a Human Rights and Whistleblowing Policy, signed by the CEO, ensuring protection for human rights defenders and whistleblowers without fear of reprisals. Further verification will be conducted during the onsite audit. Audit interviews showed that all levels of the workforce and local communities have a good understanding of Human Rights Defenders (HRDs) and the strict prohibition of retaliation against them. However, at Bode Estate, dismissed workers were reportedly barred from entering the estate to meet family, including cases affecting a pregnant employee and family members. This led to the issuance of ***Major NCR RAR 03 2025*** for corrective action.	☐ Conform ☒ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.1.2	The unit of certification does not instigate violence or use any form of harassment, including the use of mercenaries and paramilitaries in their operations.		Audit observations and interviews with workers and local communities confirmed no evidence of violence, harassment, or use of mercenaries or paramilitaries within Kretam Mill CU operations.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 4.2: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.				
4.2.1 (C)	The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.		Syarikat Kretam Mill CU has an open and accessible complaint and grievance procedure for all stakeholders, supported by whistleblowing and human rights policies ensuring anonymity. Records show complaints mainly relate to internal house repairs, with no external stakeholder complaints reported.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.2.2	Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.		Procedures ensure all affected parties, including illiterate workers, understand dispute resolution processes through verbal explanations, pictorial aids, flowcharts, and translation support by senior foreign workers.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.2.3	The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is		Kretam Mill CU keeps parties to a grievance informed of its progress, with agreed timeframe and the outcome is available and communicated to relevant stakeholders as evidenced.	☒ Conform ☐ Major Nonconformity

	available and communicated to relevant stakeholders.			☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.2.4	The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.		Kretam Mill CU has an open complaint and grievance procedure accessible to all stakeholders, supported by whistleblowing and human rights policies that ensure anonymity. Records show complaints were primarily from internal stakeholders regarding house repairs, with no external complaints reported.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.3: The unit of certification contributes to local sustainable development as agreed by local communities.				
4.3.1 (C)	Contributions to community development that are based on the results of consultation with local communities are demonstrated.		Syarikat Kretam Mill CU is able to demonstrate that contributions to community development have been made based on consultation results with the local communities.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.				
4.4.1 (C)	Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and the actual legal or customary use of the land are available.		Evidence of legal ownership of the land, including the history of land tenure, was verified during this audit. Each estate was provided with legal use of the land through a Country Lease signed by the Registrar of Titles following the payment of a premium. This document was made available by all the individual estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include. a) Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on		As reported in section 4.4.1 of this checklist, it has been verified that the land has been legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1980-2005. The audit team confirmed that there were no land issues related to previous owners.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	the steps that are taken to involve them in decision making.			
4.4.3 (C)	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).		As reported in section 4.4.1 of this checklist, it has been verified that the land has been legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1980-2005. The audit team confirmed that there were no land issues related to previous owners.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.4.4	All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements..		This requirement in this indicator does not apply to Syarikat Kretam Mill Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.4.5 (C)	Evidence is available to show that		This requirement in this indicator does not apply to Syarikat Kretam Mill	

	communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.		Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.		This requirement in this indicator does not apply to Syarikat Kretam Mill Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions				
4.5.1 (C)	Documents showing identification and assessment of demonstrable legal, customary and user rights are available		The Social Impact Assessment and land titles confirm that no new plantings were established on local people's land, with the mill's land legally owned since 1988–2005. Stakeholder interviews found no evidence of land disputes at Syarikat Kretam Mill Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
4.5.2 (C)	FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.		Land ownership by Syarikat Kretam Mill Sdn Bhd CU has been verified as legitimate since 1988–2005, with all acquisition documents properly maintained. No land issues were reported with villagers, local communities, or neighboring estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.3	Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements should be non-coercive and entered into voluntarily and carried out prior to new operations. b) Evidence that the unit of certification		Land ownership by Syarikat Kretam Mill Sdn Bhd CU has been verified as legitimate since 1988–2005, with all acquisition documents properly maintained. No land issues were reported with villagers, local communities, or neighboring estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. c) Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land.			
4.5.4	To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.		Land ownership by Syarikat Kretam Mill Sdn Bhd CU has been verified as legitimate since 1988–2005, with all acquisition documents properly maintained. No land issues were reported with villagers, local communities, or neighboring estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.5	Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on		Land ownership by Syarikat Kretam Mill Sdn Bhd CU has been verified as legitimate since 1988–2005, with all acquisition documents properly maintained. No land issues were reported with villagers, local communities, or neighboring estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	their lands.			☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.6	Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator..		Land ownership by Syarikat Kretam Mill Sdn Bhd CU has been verified as legitimate since 1988–2005, with all acquisition documents properly maintained. No land issues were reported with villagers, local communities, or neighboring estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.7	New lands will not be acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations in the national interest without consent (eminent domain), except in cases of smallholders benefitting from agrarian reform or anti-drug programmes.		Since 15/11/2018, Syarikat Kretam Mill Sdn Bhd CU has not acquired any new land for plantations or mills. Current operations are within the areas specified in existing land titles.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.8 (C)	New lands are not acquired in areas inhabited by communities in voluntary isolation.		Since 15/11/2018, Syarikat Kretam Mill Sdn Bhd CU has not acquired any new land for plantations or mills. Current operations are within the areas specified in existing land titles.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
Criterion 4.6: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.				
4.6.1 (C)	A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.		The procedures for identifying legal, customary or user rights, and compensation process is incorporated in the SOP titled “GUIDELINE ON MANAGING LAND CONFLICT”. The SOPS was established in order to handle any land conflict issues including mutually agreed procedures regarding . compensation.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.6.2 (C)	A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.		The procedures for identifying legal, customary or user rights, and compensation process is incorporated in the SOP titled “GUIDELINE ON MANAGING LAND CONFLICT”. The SOPS was established in order to handle any land conflict issues including mutually agreed procedures regarding . compensation.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for small		There was no scheme small holdings at Syarikat Kretam Mill Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity

	holdings.			☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them.		There was no process and outcomes of any negotiated agreements, compensation and payments to any affected parties.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.7: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements				
4.7.1 (C)	A mutually agreed procedure for identifying people entitled to compensation is in place.		There was no scheme small holdings at Syarikat Kretam Mill Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

4.7.2 (C)	A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.		No compensation issues were reported with villagers, local communities, or neighboring estates. Interviews with relevant stakeholders confirmed there is no evidence of land disputes at Syarikat Kretam Mill Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.7.3	Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development.		It has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1988-2005. All the related documentation regarding the land acquisition was kept in Kretam Holdings Berhad HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community, and neighboring estate.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.8: The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.				
4.8.1	Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following		No compensation issues—monetary or otherwise—were reported with villagers, local communities, or neighboring estates. Stakeholder interviews confirmed there is no evidence of land disputes at Syarikat Kretam Mill Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

	a documented process of FPIC.			☐ Not Applicable (justification required)
4.8.2 (C)	Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.		Land conflict is not present in the area of the unit of certification.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.8.3	Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4).		There was no evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

4.8.4	For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).		There was no conflict or dispute over the land.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 5: Support Smallholder Inclusion				
Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.				
5.1.1	Current and previous period prices paid for FFB are publicly available and accessible by smallholders.		Kretam Mill POM is an Identity Preserved (IP) RSPO-certified mill that only processes certified Fresh Fruit Bunches (FFB) from Kretam Holding estates and Segaliud Plantation (SD Guthrie Berhad). While it does not process FFB from smallholders, it operates a collection centre where 21 smallholders currently deliver their FFB. These are then sent to Abedon POM for processing. The collection centre has a dedicated ramp for smallholders, and FFB pricing is clearly displayed at the mill's weighbridge.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.2 (C)	Evidence is available that the unit of certification regularly explains the FFB pricing to smallholders.		There is evidence that Kretam Mill POM regularly explains the FFB Pricing to the smallholders who sent their FFB to the collection centre at the Mill.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
5.1.3 (C)	Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.		The collection centre follows pricing set by the Malaysian Palm Oil Board (MPOB), strictly adhering to the official MPOB pricing guidelines. Prices are transparently displayed at the mill's weighbridge. A separate ramp is provided for smallholder access. Feedback from three smallholders interviewed indicates they are satisfied with the pricing and services provided by the collection centre.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.4 (C)	Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.		There is no Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.5	Contracts are fair, legal and transparent and have an agreed timeframe.		So far, there was no third-party RSPO uncertified FFBs processed at Kretam Mill POM. Thus, no contract involved with smallholder.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
5.1.6 (C)	Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.		Contractor and supplier representatives confirmed their understanding of contractual rights and obligations, stated that contract terms are fair, and noted that payments are typically received within 15–30 days of invoice issuance.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.7	Weighing equipment is verified by an independent third party on a regular basis (this can be government).		Weighing Equipment in Kretam CU has been calibrated by yearly basis using accredited weighing company	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.8	The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.		No third-party RSPO-uncertified FFB is sent to Kretam Mill POM. In 2023, Kretam Mill invited nearby smallholders to join RSPO certification in collaboration with Wild Asia, with training provided on 24 February 2023. However, some smallholders prefer to pursue MSPO certification instead.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

5.1.9 (C)	The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.		Kretam Mill POM has a grievance mechanism that ensures anonymity and protection for complainants, following established procedures. To date, no stakeholder complaints have been received.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 5.2: The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains				
5.2.1	The unit of certification consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification.		Kretam Holdings Berhad has consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.2.2	The unit of certification develops and implements livelihood improvement programmes, including at least capacity building to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder) PROCEDURAL NOTE: The RSPO is currently developing a separate standard		Kretam Holdings Berhad has consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	for Independent Smallholders.			
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production..		Syarikat Kretam Mill Sdn Bhd CU has invited nearby smallholders to promote RSPO certification in collaboration with Wild Asia.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.2.4 (C)	Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling.		No specific training on pesticide handling has been conducted; only a smallholder support program training took place on 24/2/23.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme.		Kretam Holdings Berhad regularly reviews and publicly reports on its smallholder support program and has communicated with Wild Asia to certify surrounding smallholders.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 6: Respect Workers Rights and Conditions				
Criterion 6.1: Any form of discrimination is prohibited.				
6.1.1 (C)	Publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.		KHB has implemented the Code of Conduct & Human Rights Policy dated 03/01/2017 and the Social Policy dated 01/07/2022, both signed by the Chief Executive Officer. These policies are guided by commitments to respect human rights, promote diversity and inclusion by providing equal opportunities, and to not tolerate any form of discrimination based on race, nationality, religion, or gender.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.1.2 (C)	Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against. Evidence includes migrant workers' non-payment of recruitment fees		Based on the reviewed documentation, such as employment contracts and letters of offer, pay slips, housing allocations at worker quarters, and audit interviews, there is no evidence that local and foreign workers, women, and local communities have been discriminated against.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.1.3	The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills,		KHB has developed employment procedures for recruitment, selection, hiring, promotion, retirement, and termination. The procedure was documented and made available to the workers and their representatives where applicable.	☒ Conform ☐ Major Nonconformity

	capabilities, qualities and medical fitness necessary for the jobs available			☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.1.4	Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women		Based on interviews with sampled female workers and the Estate Health Assistant, there was no evidence that pregnancy tests are being conducted as a discriminatory measure.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.1.5 (C)	A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.		The Sustainability Policy includes a commitment to advancing and protecting women at all levels. Recent meetings across various estates and the mill discussed complaints, awareness, and support programs for single mothers, older female workers, widowers, and retirement planning. A dedicated budget has been allocated to implement these initiatives.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.1.6	There is evidence of equal pay for the same work scope		Based on interviews and documentation records, there is evidence of equal pay for the same scope of work.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 6.2: Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW)				
6.2.1 (C)	Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages and explained to them in language they understand.		Employment contracts at Kretam Holdings follow the Sabah Labor Ordinance Cap.67 and apply equally to local and foreign workers. No collective agreements exist as the Malaysian National Union for Plantation Workers is not recognized in Sabah. Piece rate pricing is displayed at estates, and contracts are written in Bahasa Malaysia, which is understood by the local, Indonesian, and Filipino workers.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.2 (C)	Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed, including work done by family members		Employment contracts and payroll documents at Kretam Mill provide accurate compensation details and comply with legal requirements. However, verification found that contractor workers' payslips do not fully meet Sabah Labour Ordinance standards for clearly showing earnings, deductions, and related information. Hence, a ***Major NCR (ISMA 01/2025)*** is therefore, raised against Indicator 6.2.2(C).	☐ Conform ☒ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.3 (C)	There is evidence of legal compliance for regular working hours, deductions,		There is evidence of legal compliance as per contract agreement such as regular working hours, deductions, overtime, sickness, holiday	☒ Conform

	overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements		entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.	☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.4 (C)	The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure		The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational, and welfare amenities that meet national standards. Workers with families are each given a house, while single workers are provided shared housing for 2 or 3 people per house. Other amenities, such as a community hall, place of worship, and sports facilities, are also provided. Government schools and Community Learning Centers are available near the estates, supporting workers' families with accessible education. A crèche is also provided for childcare. However, educational amenities provided by the Certification Unit are inadequate and do not meet national standards, especially in areas lacking public facilities. Thus, **Major NCR RAR 01 2025** has been raised.	☐ Conform ☒ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.5	The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.		All units in KHB Sandakan Region, except Bukit Sekong Estate, have their own canteen or grocery store offering basic food items. The products are adequately stocked, clearly labeled, and within their expiry dates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
6.2.6	A DLW is paid to all workers, including those on piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours. PROCEDURAL NOTE: The RSPO Labour Task Force will prepare guidance on the DLW implementation, including details on how to calculate a DLW, expected for 2019. The RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist		The CU provides a decent living wage for local and foreign workers, covering wages, benefits, paid leave, housing, health, and welfare. In the absence of a formal DLW, management conducted a Prevailing Wage Assessment for 2024 and 2025 based on check-roll workers.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.7	Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal		Permanent workers at KHB Sandakan Region CU have employment contracts detailing payments and conditions. No casual, temporary, or day labourers are employed in any operating units.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 6.3: The unit of certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of				

association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel				
6.3.1 (C)	A published statement recognising freedom of association and right to collective bargaining in national languages is available and is explained to all workers in languages that they understand, and is demonstrably implemented		The published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) was available in the Code of Conduct & Human Rights Policy dated 03/01/2017 and Social Policy dated 01/07/2022 signed by Chief Executive Officer and was publicly available on the notice board.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.3.2	Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages and made available upon request		Although no official trade unions exist within KHB Sandakan Region CU, workers have elected representatives to the Workers Representative Committee (JCC), which includes both workers and management. This committee facilitates communication, allows workers to raise concerns, and supports transparency through documented meeting minutes.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.3.3	Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers		Workers' representatives confirmed that management did not interfere with the formation of the Workers Representative Committee, and all representatives were freely elected by the workers.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
Criterion 6.4: Children are not employed or exploited.				
6.4.1	A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements		Kretam Holdings has a formal Social Policy, established on 01/07/2022, that prohibits child labor and ensures compliance with minimum age laws, emphasizing the protection and safety of all workers and children.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.4.2 (C)	There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure		Employment records and personal details confirm that all workers at KHB Sandakan Region CU meet the minimum age requirement of 18 years. The computerized Lintramax system helps verify and screen employee ages during data entry.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.4.3 (C)	Young persons may be employed only for non-hazardous work, with protective restrictions in place for that work.		No evidence was found of individuals under 18 years employed at any estates or the mill. Verification through worker records, interviews, and field observations confirmed all employees are above the minimum age requirement.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.4.4	The unit of certification demonstrates communication about its 'no child labour policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live		The company's no child labor policy is displayed on noticeboards and communicated to workers during morning musters. Community members and contractors also confirmed they have been informed about the policy.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 6.5: Policies and procedures in place to protect workers' rights.				
6.5.1 (C)	A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce		KHB implemented a Sexual Harassment Policy on 07/01/2015, emphasizing that sexual harassment violates basic human rights and that offenders may face disciplinary actions, including termination.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

6.5.2 (C)	A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce		KHB Sandakan Region CU's Social Policy (dated 01/07/2022) protects reproductive rights, ensuring female workers receive 60 days paid maternity leave and are assigned light work during pregnancy. Interviews confirm these standards are implemented.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.5.3	Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified		Management has assessed the needs of new mothers and consultation with the new mothers. The gender committee has supported the assessment for the mother and their kid's needs. The actions are taken to address the needs that have been identified.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.5.4	Grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.		KHB established a Grievance Procedure on 01/09/2020. This procedure outlines the importance of respecting anonymity and protecting complainants upon request, ensuring that individuals feel safe and supported when raising concerns.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 6.6: Work is voluntary and specific labor policy and procedures are implemented.				
6.6.1 (C)	All work is voluntary and following are prohibited: • Retention of identity documents or passports • Payment of recruitment fees • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages		Interviews with foreign workers confirmed they retain possession of their passports, which are securely stored and only surrendered for permit renewal. No contract substitution or coercion was reported. Overtime work is voluntary and properly paid, and workers have freedom of movement. Resignation or termination involves no disciplinary action, and there is no evidence of debt bondage or wage withholding, reflecting fair and ethical treatment.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.6.2 (C)	Where temporary or migrant workers are employed, a specific labour policy and procedures are established and implemented		KHB's Foreign Workers Policy (dated 01/04/2019) commits to fair recruitment, decent living conditions, and no contract substitution or discrimination. The company follows strict procedures for employing foreign workers, complies with Malaysia's Minimum Wage Order, and provides orientation and decent housing to support their welfare.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 6.7: Appropriate health and safety measures are in place.				
6.7.1 (C)	The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded		Syarikat Kretam Mill Sdn Bhd CU had identified and appointed responsible persons for H & S. All identified Executives were officially given a letter for such an appointment. Managers at Kretam Mill and estates were officially appointed, with ESH coordinator duties delegated to Assistants. Regular two-way communication with employees occurs through quarterly ESH meetings, with meeting minutes verified.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.7.2	Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in the appropriate language of the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.		Accident and emergency procedures were available in adherence to the Kretam Holdings Berhad Group, Safety and Health SOP. First aider had been trained by external provider. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed by Hospital Assistant (HA). Records of accident been retained by JKKP 6 forms and own accident/incident investigation report.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.7.3 (C)	Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal		All Training and Briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. During site visit at all estates and mill all PPE has been provided free of charge and was sighted all workers wearing appropriate PPE	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	clothing.			
6.7.4	All workers are provided with medical care and covered by accident insurance. Costs incurred from work related incidents leading to injury or sickness are covered in accordance with national law or by the unit of certification where national law does not offer protection		The Mill and Estates provide medical care and insurance coverage for all the workers.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.7.5	Occupational injuries are recorded using Lost Time Accident (LTA) metrics		Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man Day MC.) This is summarized officially in the JKKP 8.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 7: Protect, Conserve and Enhance Ecosystems and the Environment				
Criterion 7.1: IPM plans are implemented and monitored to ensure effective pest control.				
7.1.1 (C)	IPM plans are implemented and monitored to ensure effective pest control.		The estates continued implementing Integrated Pest Management (IPM) based on a documented plan guided by the SOP dated 09/02/2028 (Rev 05). Measures include planting beneficial plants like Turnera subulata and Cassia cobanensis to reduce insecticide use, applying single-layer EFB mulching to control rhinoceros beetles, and conducting monthly pest and disease monitoring by estate staff.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

7.1.2	Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.		This is not practiced in the estates visited. None of species were referenced in the Global Invasive Species Database and CABI.org are used in the management of IPM.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.1.3	There is no use of fire for pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with ap prior approval of government authorities. [For NI to define process]		There was no land preparation in Syarikat Kretam Mill Sdn Bhd CU Mill and Estates by burning ever since Kretam Plantations Sdn Bhd practiced zero burning as per the policy	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.				
7.2.1 (C)	Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised.		Syarikat Kretam Mill Sdn Bhd CU continued to use agrochemicals based on the following guidelines and SOP as follows where written justifications had been provided for various fields operations	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.2 (C)	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.		Syarikat Kretam Mill Sdn Bhd CU continued to maintain records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and active ingredients applied per ha.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
7.2.3 (C)	Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.		As part of the IPM plans, the quantity of pesticides required for various field conditions are documented and justified in Kretam Plantations Sdn Bhd SOP and Agriculture Manual	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.4	There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.		There is no prophylactic use of pesticides.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.5	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless unexceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to: a) Judgment of the threat and verify why this is a major threat b) Why there is no other alternative which		The estates use only pesticides registered under the Pesticides Act 1974 and comply with USECHH Regulations 2000. Paraquat has been banned since 2007, and no pesticides classified as WHO Class 1A/1B or listed under the Stockholm or Rotterdam Conventions are used.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	can be used c) Which process was applied to verify why there is no other less hazardous alternative d) What is the process to limit the negative impacts of the application 7.2.5 e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.			
7.2.6 (C)	Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.		Pesticides were handled and applied by trained personnel in accordance with the MSDS. Storekeepers, sprayers, fertilizer, and rat bait workers received training and understood the associated hazards and safe handling procedures.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.7 (C)	Storage of all pesticides is in accordance with recognised best practices.		All estate chemical stores comply with the Occupational Safety and Health Act 1994 and Pesticides Act 1974. Records of purchase, storage, and usage are maintained. Stores are well-ventilated, secured, and managed by authorized personnel. Chemicals are properly segregated, fertilizers are neatly stacked, and MSDS/CSDS are available on-site.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

7.2.8	All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.		KHB has established a Waste Disposal SOP (Doc No: KHB/G/SOP-08) dated 18/08/2013, revised on 06/07/2020. Empty containers and other scheduled waste (SW409) are properly managed and sent to Lagenda Bumimas Sdn Bhd, with storage and collection records verified.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.9 (C)	Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.		Aerial spraying was not practiced by the estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.10 (C)	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.		Specific annual medical surveillance for pesticide operators been conducted. Report indicated all employees were reported to be fit to handle chemicals	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.11 (C)	No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.		At all four sampled estates, pregnancy identification is conducted by the HA during six-monthly medical check-ups based on interviews about last menstrual periods, with tests done if needed. Monthly check-ups for women sprayers are conducted by the VMO. There is no evidence of pregnant or breastfeeding women handling pesticides.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 7.3: Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner				
7.3.1	A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.		All waste and pollution sources are identified and documented in the 2025 Waste Management Plan, developed by the Sustainability Department. Key environmental receptors include air (e.g., emissions from boilers, vehicles, and anaerobic processes), water (e.g., runoff and process wastewater), and land (e.g., scheduled, domestic, and operational waste). The estates and mill have an effective pollution prevention plan in place, with proper documentation and records of scheduled waste generation and disposal. Sample reviews confirm that waste and pollution management practices adequately address environmental quality concerns.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.3.2	Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.		Waste generated from estate and mill operations is well managed, with employees demonstrating clear understanding of proper disposal and handling. Scheduled waste at all sites remains within regulatory limits of not more than 180 days or 20 metric tons.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.3.3	The unit of certification does not use open fire for waste disposal.		The CU had 2 policies on Zero Burning a main and sub policy. During site inspection at worker quarters at palm oil Mill and all estates was sighted there is no trace of fire burning on the ground and use open fire for waste disposal have been carried out.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
Criterion 7.4: Practice maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.				
7.4.1	Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.		Syarikat Kretam Mill Sdn Bhd CU practiced the maintenance of long-term soil fertility by annual application of fertilizers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields) and EFB application, water management and by maintaining soft weeds within interlines.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.4.2	Periodic tissue and soil sampling is carried out to monitor and manage changes in soil fertility and plant health.		Periodic tissue and soil sampling are conducted by Borneo Samudera Sdn Bhd's Central Laboratory to monitor nutrient status. Results guide fertilizer recommendations and help assess soil health, including organic carbon and total nitrogen levels.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.4.3	A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic		All the Estates continued to have a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose and EFB, compost and POME were also applied.	☒ Conform ☐ Major Nonconformity

	fertilisers.			☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.4.4	Records of fertiliser inputs are maintained.		Syarikat Kretam Mill Sdn Bhd CU continued to monitor their fertilizer inputs as recommended by the Boris Agri- Services Sdn Bhd who visited the estates during the annual foliar sampling carried out. Fertilizer application program was monitored using records	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.5: Practices minimise and control erosion and degradation of soils				
7.5.1 (C)	Maps identifying marginal and fragile soils, including steep terrain, are available.		Description of the soil characteristics such as texture, depth, drainage, parent material and key aspect for management was also available.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

7.5.2	There is no extensive replanting of oil palm on steep terrain.		Like all Kretam Plantations Holdings Berhad Estates, the 4 estates continued to have a management strategy for planting on slopes in order to minimize and control erosion and degradation of soils.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.5.3	There is no new planting of oil palm on steep terrain.		There is no new planting in the CU	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.6: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.				
7.6.1 (C)	To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils including steep terrain, are taken into account in plans and operations.		There is no new planting activity in the estates	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.6.2	Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.		There is no new planting activity in the estates	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.6.3	Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure		Soil surveys are done and available in a soil map at the estates. Topographic contour map is also available which are both used to manage the drainage and road works in all the 4 estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.7: No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.				

7.7.1 (C)	There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.		There is no peat soil or soil categorized as marginal or fragile soil at the 4 estates visited.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.7.2	Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).		There is no peat soil or soil categorized as marginal or fragile soil at the 4 estates visited.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.7.2 (C)	Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).		There is no peat soil or soil categorized as marginal or fragile soil at the 4 estates visited.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
7.7.3 (C)	Subsidence of peat is monitored, documented and minimised.		There is no peat soil or soil categorized as marginal or fragile soil at the 4 estates visited.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.7.4 (C)	A documented water and ground cover management programme is in place.		The water and ground cover management programme is documented in the Kretam Plantations Holdings Berhad Water Management Plan Year 2025 compiled for the entire estates and mill in the CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.7.5 (C)	For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the time frame for future replanting, as well as for phasing out of oil		There is no peat soil or soil categorized as marginal or fragile soil at the 4 estates visited.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation. PROCEDURAL NOTE: Full details of the RSPO Drainability Assessment Guidelines and related concepts and detailed actions are in the manual currently being fine-tuned/tested by PLWG. A final version should be approved by PLWG in January 2019 and will include additional guidance on the steps to be followed after the decision not to replant as well as implications for other stakeholders, smallholders, local communities and the unit of certification. It is recommended that a further twelve-month methodology trial period is proposed for all related management units (i.e. those with plantations on peat) to utilise the methodology and provide feedback to the PLWG to enable further refinement of procedure as appropriate before January 2020. Units of certification have the option to defer replanting till after the availability of the revised guidelines. Additional guidance on alternative crops and rehabilitation of natural vegetation will be provided by PLWG. PROCEDURAL NOTE: PLWG and the			☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	Smallholder Interim Group (SHIG) will collaboratively develop guidance for Independent Smallholders [cross links to SHIG and GHG issues]			
7.7.6 ©	All existing plantings on peat are managed according to the *'RSPO Manual on Best Management Practices (BMTs) for existing oil palm cultivation on peat', version 2 (2018)* and associated audit guidance.		There is no peat soil or soil categorized as marginal or fragile soil at the 4 estates visited.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.7.7 (C)	All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version2 (2018) and associated audit guidance.		There is no peat soil or soil categorized as marginal or fragile soil at the 4 estates visited.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.				

7.8.1 (C)	A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following: 7.8.1a. The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities. 7.8.1 b. Workers have adequate access to clean water		The CU Water Management Plan was reviewed and updated on 31/03/2025 to ensure sustainable and renewable water use while protecting habitats and ecosystems for current and future needs. The organization has an action plan to monitor river water quality and prevent pollution affecting community water sources. Water sampling points are identified and documented in the Water Management Plan, with regular monitoring of outgoing water. A minor non-compliance was effectively closed. All estates and mill had supplied potable water which produce from own water treatment plant to all workers under this certification units.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.8.2 (C)	Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).		Water courses and wetlands was protected, including maintaining and restoring appropriate riparian and other buffer zones and in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.8.3	Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.		Monthly final discharge samples are sent to an accredited lab for analysis of parameters required by the DOE, including BOD, suspended solids, oil and grease, ammoniacal nitrogen, total nitrogen, and pH. Results are submitted quarterly, with all parameters meeting regulatory limits.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
7.8.4	Mill water use per tonne of FFB is monitored and recorded.		Processed water is obtained from water catchments near the mill. The water usage per tonne of fresh fruit bunches (FFB) continued to be monitored monthly.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.9: **Efficiency of fossil fuel use and the use of renewal energy is optimized.**				
7.9.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and reported.		The CU has a plan to improve fossil fuel efficiency and optimize renewable energy use, with regular monitoring and documentation. Measures include monitoring tractor operations, reducing electricity and lubricant oil use, switching to energy-saving bulbs, and ensuring electrical equipment is turned off when not in use. Electricity is generated from grid power and biomass (palm fiber and shells) via a biogas plant. Data is compiled monthly for ongoing improvement.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 7.10: Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions				
7.10.1 (C)	GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.		The CU used the RSPO Palm GHG version 4.0 Calculator to measure greenhouse gas emissions. The verified report was submitted to RSPO on 22/05/2025.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.10.2 (C)	Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).		RSPO GHG Assessment Procedure for New Development was not applicable.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)
7.10.3 (C)	Other significant pollutants are identified and plans to reduce or minimize them implemented and monitored.		The CU uses Environmental Impact and Pollution Prevention Plans to identify and manage GHG emissions from sources like land conversion, fertilizers, fuel use, and peat oxidation. A biogas plant captures methane from the Effluent Treatment Plant to generate electricity. The mill monitors flue gas emissions using CEMS and Electrostatic Precipitators, with recent tests showing emissions within legal limits.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area.				
7.11.1 (C)	Land for new planting or replanting is not prepared by burning.		There was no land preparation in Syarikat Kretam Mill Sdn Bhd CU Mill and Estates by burning ever since the organisation practiced zero burning.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.11.2	The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification.		An Emergency Response Procedure (ERP) is established, outlining objectives, prevention activities, fire/rescue team roles, and evacuation plans. The Sustainability Department formalized this procedure for all CU estates and the mill, where regular fire drills and training are conducted.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.11.3	The unit of certification engages with adjacent stakeholders on fire prevention and control measures.		The entire CU estates and mill held a combined stakeholders meeting for all the management on 20/09/2024. The meeting also recorded to date there were no report or incidence relating to fire within the complex and surrounding communities.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

PROCEDURAL NOTE for 7.12 The 2018 RSPO P&C include new requirements to ensure the effective contribution of RSPO to halting deforestation. This will be achieved by incorporating the High Carbon Stock Approach (HCSA) Toolkit in the revised standard. The RSPO ToC also commits RSPO to balancing sustainable livelihoods and poverty reduction with the need to conserve, protect and enhance ecosystems. High Forest Cover Countries (HFCCs) urgently require economic opportunities that enable communities to choose their own development path, while providing socio-economic benefits and safeguards. Adapted procedures will be developed to support the sustainable development of palm oil by indigenous peoples and local communities with legal or customary rights. These will apply in specific HFCCs, and within those, in High Forest Cover Landscapes (HFCLs). The development of these procedures will be guided by a No Deforestation Joint Steering Group (NDJSG) of RSPO and HCSA members. In HFCCs, RSPO will work through national and local participatory processes with governments, communities and other stakeholders to develop these procedures. A timeframe for these activities is stipulated in the Terms of Reference for the NDJSG and publicly available. **Criteria 7.12:** Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.				
7.12.1 (C)	Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.		Based on the audit findings, it was confirmed that no land clearing at Syarikat Kretam Mill CU since Nov 2005	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.12.2 (C)	HCVs, HCS forests and other conservation areas are identified as follows: a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land		The “HCVF Assessment of Two Parcels of Forest at Masang Estate” (2012) found no significant endangered fauna but classified the parcels as High Conservation Value Forests (HCVF) under criteria 1.2, 1.4, 4.1, and 5. An internal Baseline Biodiversity Assessment updated annually since 2015, with the latest in 2023, covers all Kretam Mill CU estates and identified rare, threatened, and endangered species such as the Bearded Pig, Pig-tailed Monkey, and Pygmy Elephant across multiple estates	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

	clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.		including the newly certified Seraya Estate. The total HCV area identified is 250 hectares across Masang and Bode Estates, with no HCV found at Bukit Sekong and Sapagaya Estates. Management and action plans were updated in March 2024.	☐ Not Applicable (justification required)
7.12.2 b)	Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.		No land clearing has occurred at Syarikat Kretam Mill CU since November 2005.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.12.3 (C)	In High Forest Cover Landscapes (HFCLs) within HFCCs, a specific procedure will apply for legacy cases and development by indigenous peoples and local communities with legal or customary rights, taking into consideration regional and national multi-stakeholder processes. Until this procedure is developed and endorsed, 7.12.2 applies. PROCEDURAL NOTE for 7.12.3: There should be demonstrable benefits to the local community; clear recognition of legal and customary lands based on participatory land use planning; development should be proportional to the needs of the local community; with a balance between conservation and		No land clearing has occurred at Syarikat Kretam Mill CU since November 2005.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	development. This procedure will also cover planting on previous or abandoned agricultural land / plantations. All other P&C requirements apply, including FPIC and HCV requirements.			
7.12.4 (C)	Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).		As of the audit, no rare, threatened, or endangered (RTE) species were found within the identified HCV areas (1.2, 1.4, 4.1, and 5) in the CU. The CU actively manages these HCVs through regular employee education on protecting RTE species and buffer zones, ongoing patrols of HCV boundaries, and clear signage prohibiting hunting, fishing, and chemical use in buffer zones. The HCV management plan is implemented in line with recommendations and developed in consultation with stakeholders including PERHILITAN, WWF, Sabah Forestry Department, neighbouring estates, and local communities. Monitoring results are reviewed by the Sustainability team at HQ to address issues such as illegal hunting and RTE protection.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.12.5	Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peatland and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their		No local community rights have been identified in the HCV areas at Kretam CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	involvement in the maintenance and management of these conservation areas.			
7.12.6	All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.		In 2025, a comprehensive training program on RTE and HCV protection was conducted across all estates. Biodiversity training sessions were held for workers, mandore, and estate security on various dates throughout 2024 and 2025. Regular awareness activities, such as morning briefings, also took place. The company enforces disciplinary measures in line with company policies and national laws against anyone found capturing, harming, collecting, or killing protected species.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.12.7	The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.		The implementation of High Conservation Value (HCV) and Rare, Threatened, and Endangered (RTE) species monitoring at Kretam Mill CU follows a structured action plan detailed in the “Monitoring Checklist of Biodiversity Area by Monthly.” The approach emphasizes species conservation and maintaining ecological connectivity between protected forests within and surrounding the estates. Management activities include clear demarcation of HCV areas, regular awareness briefings for workers, and consistent monitoring schedules.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.12.8 (C)	Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.		No land clearing at Syarikat Kretam Mill CU since Nov 2005.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

6. Summary of Audit Findings

6.1 Positive and noteworthy findings

No.	Positive finding
1	Very good commitment and cooperation from company representatives given during the audit.
	Add row as necessary

6.2 Non-conformities and opportunities for improvement

Summary of nonconformities and opportunities for improvement under the RSPO Principles & Criteria				
Principle	**Major**	**Minor**	**Opportunities for Improvement**	**Total No Findings**
Principle 1: Behave Ethically and Transparently				
Principle 2: Operate legally and respect rights - Implement legal requirements as the basic principles of operation in any jurisdiction.	1			**1**
Principle 3: Optimise productivity, efficiency, positive impacts and resilience *(Includes IP and/or MB Module)*	1	1		**2**
Principle 4: Respect Community and Human Rights and Deliver Benefits	1			**1**
Principle 5: Support Smallholder Inclusion				
Principle 6: Respect Workers Rights and Conditions	2			**2**
Principle 7: Protect, Conserve and Enhance Ecosystems and the Environment				
Certification Systems Document				
Total	**5**	**1**		**6**

7. Nonconformity(ies) Issue in this Audit

Indicator Number	2.1.1
Nonconformity Number	RAR 02 2025
Nonconformity Category	☒ Major Nonconformity ☐ Minor Nonconformity
Recurring Nonconformity	☐ Yes ☒ No
Date of Nonconformity Issued	23/05/2025
Nonconformity Issued To *(when more than one site/member)*:	
Deadline:	☒ 3 months from date of closing meeting ☐12 months from date of closing meeting
Mode of Nonconformity Closure	☐ Onsite ☒ Off-site
Standard Reference	**RSPO P&C MYNI**
Nonconformity Statement: The unit of certification does not comply with applicable legal requirements. -Labour Ordinance of Sabah (Amendment) Act 2025, effective May 2025.	
Evidence: 1. During sites interview with all workers i.e creche, manuring operators, sprayers, de-creeping operator, loose fruit collector, etc was found that they start working on 5:30 am until 2:00 pm (8 hours) and work from Monday until Saturday for a total hours 48 hours (weekly). This contradicts with regulation 104A - shall not more than forty-five hours in one week. 2. During sites visit at all Estates creche, it was found that noncompliance with SLO regulation 121 I (3) On each day a dependant is accommodated at the nursery, the employer, at his own expense, shall provide for such dependant with play equipment and a supply of milk— (a) in sufficient quantity; and (b) of good quality	
Root Cause Analysis	a. Lack of awareness and understanding on latest legal requirements under Sabah Labour Ordinance (Amendment) Act 2025 among estate management. b. Internal procedures such as working schedules were not reviewed or updated promptly to align with the new legal changes. c. Non-compliance at the creche facility is due to overlooked and inadequate supervision to ensure compliance as required by regulation 121 I (3).
Correction(s)	a. Immediate revise working schedules to comply with the 45 hours weekly limit to comply with Regulation 104A. b. Provide play equipment and sufficient good quality milk at all creche facilities. Appoint PIC to oversee daily creche operations to ensure ongoing adherence. c. Conduct briefing/training to communicate the updated working schedule to all workers to ensure understanding and compliance.

Corrective Action Implemented *(including any evidence submitted)*	a.Conduct a training session to all estate executives, non executives staff and HR personnel on the latest Sabah Labour Ordinance (Amendment) Act 2025 especially Regulations 104A and 121 I (3). b. Review and update all internal procedure related to legal requirements of Sabah Labour Ordinance (Amendment) Act 2025 to reflect the latest amendments.
Date of Response	15/8/2025
Audit Team Conclusion *(including any evidence reviewed)*	Verification of proof of handing over toys and formula milk to Bode Estate, Sapagaya Estate and Seraya Estate accepted. Verification briefing record on Revised Employee Handbook, Relevant Labor Ordinance, Flexible Working Arrangement dated 20/6/2025 accepted. Verification briefing record dated 29/5/2025 for mill on revised working hours accepted. Verification on New SOP tittle Working Hours KHB/G/SOP-27 revision date 1/5/2025 accepted. Verification on internal company Memo dated 1/5/2025 regard to New Working Hours for all workers effective start 1/5/2025.
Status of Nonconformity	☒ Closed ☐ Open
Date of Closure:	21/8/2025

Indicator Number	3.6.1
Nonconformity Number	RMN 01
Nonconformity Category	☒ Major Nonconformity ☐ Minor Nonconformity
Recurring Nonconformity	☐ Yes ☒ No
Date of Nonconformity Issued	23/5/2025
Nonconformity Issued To *(when more than one site/member)*: Seraya Estate & Sapagaya Estate	
Deadline:	☒ 3 months from date of closing meeting ☐12 months from date of closing meeting
Mode of Nonconformity Closure	☐ Onsite ☒ Off-site
Standard Reference	**RSPO P&C MYNI**
Nonconformity Statement: Mitigation plans and procedures are not fully implemented.	
Evidence:	

Additional Risk Assessment Project Department been established with latest updated on 22 March 2020. However during site visit at new housing construction (own by Project Department) at Seraya Estate and Sapagaya Estate were found: 1.No working at Height Permit to work are available and sighted as per HIRARC 2.Housekeeping at construction areas are not in tidy condition.	
Root Cause Analysis	There is a lack of enforcement and overlook by the Project Department to ensure implementation of the documented HIRARC control and safety procedures. This is due to insufficient site monitoring, lack of knowledge regarding safety requirement and poor coordination between Project Dept and Estate level management.
Correction(s)	Develop and enforced “Working at Height” permit to work across all Sandakan region estates with immediate effect. Conduct cleans up and improved housekeeping at all construction sites. Additionally, regularly conduct safety briefings for all construction workers to raise awareness and improve their safety practices.
Corrective Action Implemented *(including any evidence submitted)*	Conduct refresher training for Project Dept staff and contractors on HIRARC control, Permit to work procedures and site housekeeping to improve safety awareness. Assign PIC to oversee safety at site and conduct weekly inspections by supervisors to ensure compliance.
Date of Response	20/8/2025
Audit Team Conclusion *(including any evidence reviewed)*	Briefing on contractor date 1/8/2025 been verified for labour line housing contractor.
Status of Nonconformity	☒ Closed ☐ Open
Date of Closure:	21/8/2025

Indicator Number	4.1.1
Nonconformity Number	RAR 03 2025
Nonconformity Category	☒ Major Nonconformity ☐ Minor Nonconformity
Recurring Nonconformity	☐ Yes ☒ No
Date of Nonconformity Issued	23/5/2025
Nonconformity Issued To *(when more than one site/member)*:	
Deadline:	☒ 3 months from date of closing meeting ☐12 months from date of closing meeting
Mode of Nonconformity Closure	☐ Onsite ☒ Off-site
Standard Reference	**RSPO P&C MYNI**
Nonconformity Statement: The Certification Unit's policy to respect human rights, which prohibits intimidation and harassment—including retaliation against Human Rights Defenders—was not complied with.	
Evidence: At Bode Estate, during the interview session with workers who were dismissed after being found guilty of participating in a strike (based on the findings of a Domestic Inquiry), it was reported that they were prevented from entering the estate to meet with their family members. The cases highlighted included the following: • A pregnant female employee was prohibited from meeting and staying with her husband. • A father was prohibited from meeting his wife and children residing in the estate. • A son was prohibited from meeting his parents and other family members living in the estate	
Root Cause Analysis	Lack of clear implementation guidelines to estate management on handling dismissed workers in accordance with the Human Right policy and no mechanism in place to assess the risk for retaliation against dismissed workers.
Correction(s)	Dismissed employees will be allowed immediate access to visit their family members residing within the estate subject prior approval from estate management. All movement restrictions on dismissed workers visit will be removed, provided the individual does not pose any security risk.
Corrective Action Implemented *(including any evidence submitted)*	Estate management will consult with HR dept for guidance on handling dismissed employees to ensure full compliance with Human Right policy. Human Right policy awareness and training will be conducted to estate management which focussing on the rights of dismissed employees and non-retaliation procedures. A grievance and monitoring system will be established for workers or their families to confidentially report any intimidation or retaliation.
Date of Response	20/8/2025

Audit Team Conclusion *(including any evidence reviewed)*	Sighted implementation of "Borang Permohonan Melawat" dated 17/7/2025 and 23/7/2025 approved by estate management. Established Workers Complaint Hotline Workflow effective 1/6/2025. Human right policy been display at strategic area for workers reference and briefing conducted to all workers on 12/6/2025 with attendant submitted.
Status of Nonconformity	☒ Closed ☐ Open
Date of Closure:	21/8/2025

Indicator Number	6.2.2 (Page 1)
Nonconformity Number	ISMA 01/2025
Nonconformity Category	☒ Major Nonconformity ☐ Minor Nonconformity
Recurring Nonconformity	☐ Yes ☒ No
Date of Nonconformity Issued	23/5/2025
Nonconformity Issued To *(when more than one site/member)*: Masang Estate, Sapagaya Estate, Seraya Estate, Bode Estate & Kretam Mill	
Deadline:	☒ 3 months from date of closing meeting ☐12 months from date of closing meeting
Mode of Nonconformity Closure	☐ Onsite ☒ Off-site
Standard Reference	**RSPO P&C MYNI**
Nonconformity Statement: Verification of Kretam Mill CU'S Contractor's workers payslips found the requirement of the Sabah Labour Ordinance (Cap 67) for ensuring employees aware of their earnings, deductions and other relevant information in their payslips is not adequately complied with.	
Evidence: Verification of Payslips of employees of the following Contractors at Syarikat Kretam Mill CU i.e. 1) Sukarno Sudirman Masang Estate: (Contractor Lo Enterprise) 2) Vinsasius Keron Lorens Sapagaya Estate (Contractor Lo Nyiuk Kiong) 3) Herman Beddu Sapagaya Estate (Contractor Santi) 4) Basri Mustapa Sapagaya Estate (Contractor Santi) 5) Ridzwan Silungan Seraya Estate (Contractor PL Enterprise) 6) Kasmin Mahmud Seraya Estate (Contractor Lo Nyiuk Kiong) 7) Sukarno Sudirman Bode Estate (Contractor Lo Enterprise) 8) Mohd Amri Nordin Kretam Mill POM (Contractor Juita Baru Sdn Bhd) found the following item not presented: i) Production output (piece, bags, tonnes etc)	

ii) Hours of overtime (on normal working day/rest day/public holiday) iii) No of working days, rest days, public holidays, annual leave taken iv) Calculation of basic wages (piece rate, daily rate, monthly) v) Calculation of wages (annual leaves, public holiday, paid sick leaves) vi) Calculation of overtime wages (normal working day, rest day, annual leaves, public holidays)	
Root Cause Analysis	The contractor payroll staff may not be adequately trained and lack of awareness on the legal requirement for detailing wages on payslip. Lack of standardized contractor payslip format to ensure transparency of payslip details. Insufficient monitoring and no person in charge to verify detailed contractor payslip formats.
Correction(s)	Contractors to update their workers payslip format to include the missing details and all the required information as per required under Sabah Labour Ordinance regarding payslips. Established and distribute standardized payslip template for contractors as a reference ensuring all required details are included in their payslip.
Corrective Action Implemented *(including any evidence submitted)*	Respective operating unit will engage with their contractor to brief and give awareness on the payslip detailing requirement as per Sabah labour ordinance. To ensure contractor's employees understand their rights under Sabah Labour Ordinance as to receive a payslip with all the necessary details. Appoint PIC to monitor the implementation of the standardized detailed payslip for contractors workers payslip.
Date of Response	20/8/2025
Audit Team Conclusion *(including any evidence reviewed)*	Sighted internal memo dated 1/7/2025 on Contractors Workers Payslip Record to all operating units accepted. Sighted letter from Juita Baru Sdn Bhd clarified their employees paid based on completed trips and stand by status rather than fixed daily or monthly attendance. Sighted payslip for Lo Nyuk Kiong contractor for month of May, June been improved. Sighted payslip for PL Enterprise for month of May been improved. Sighted payslip for Juita Baru for month of June been improved. Sighted payslip for Santi for month of May been improved.
Status of Nonconformity	☒ Closed ☐ Open
Date of Closure:	21/8/2025

<table>
<tr><td>Indicator Number</td><td>6.2.2(Page 2)</td></tr>
<tr><td>Nonconformity Number</td><td>ISMA 01/2025</td></tr>
<tr><td>Nonconformity Category</td><td>☒ Major Nonconformity
☐ Minor Nonconformity</td></tr>
<tr><td>Recurring Nonconformity</td><td>☐ Yes
☒ No</td></tr>
<tr><td>Date of Nonconformity Issued</td><td>23/5/2025</td></tr>
<tr><td colspan="2">Nonconformity Issued To (when more than one site/member):</td></tr>
<tr><td>Deadline:</td><td>☒ 3 months from date of closing meeting
☐12 months from date of closing meeting</td></tr>
<tr><td>Mode of Nonconformity Closure</td><td>☐ Onsite
☒ Off-site</td></tr>
<tr><td>Standard Reference</td><td>RSPO P&C MYNI</td></tr>
<tr><td colspan="2">Nonconformity Statement:
Non-compliance related to Excessive Working Hours
<u>JTK – Permit Sekatan Kerja Lebih Masa (seksyen 104(7), SLO,</u>
1.3-pekerja -pekerja tidak boleh dibenarkan untuk bekerja melebihi 12 jam sehari</td></tr>
<tr><td colspan="2">Evidence:
During the document review conducted at the mill, samples of workers' monthly payslips and check rolls were examined for the month of April 2025 and September 2024. The review revealed instances of non-compliance with the regulatory requirements as per the Employment Act (Section 104(7)).
<table>
<tr><td colspan="3"><u>Kretam POM</u></td></tr>
<tr><td>Luther Saulo
(oil room operator)</td><td>Lukas Toding
(FFB Feeding Operator)</td><td>Aiman Zikri
(Electrical apprentice)</td></tr>
<tr><td>September 2024</td><td>September 2024</td><td>April 2025</td></tr>
<tr><td>• 13/09/24 = 7 hours OT
• 14/09/24 = 5 hours OT
• 24/09/24 = 6 hours OT
• 26/09/24 = 5 hours OT</td><td>• 13/09/24 = 7 hours OT
• 24/09/24 = 6 hours OT
• 26/09/24 = 5 hours OT</td><td>• 12/04/25 = 6 hours OT
• 22/04/25 = 5 hours OT</td></tr>
</table></td></tr>
<tr><td>Root Cause Analysis</td><td>The excessive working hours were due to inadequate manpower during the peak crop caused by emergency leave taken by workers. In addition, unplanned breakdowns occurred requiring maintenance personnel to work extended hours in order to resume mill operations.</td></tr>
<tr><td>Correction(s)</td><td>Mill management will reinforce of shift schedules, manpower planning will be regularly reviewed by evaluating workers relief arrangements and to produce a standby schedule for maintenance personal.</td></tr>
<tr><td>Corrective Action Implemented
(including any evidence submitted)</td><td>Mill management will circulate a memo to address excessive working hours in mill operations.
Staff and workers will be briefed on the maximum allowable working hours per day which is limited to 12</td></tr>
</table>

	hours inclusive of normal hours and overtime. Additionally, a memo requiring workers to submit leave application at least 3 days in advance to avoid unplanned absences that could resulting understaffing which cause excessive working hours. Stand by schedule will be developed to ensure adequate manpower to prevent maintenance workers from working more tha 12 hours per day.
Date of Response	15/8/2025
Audit Team Conclusion *(including any evidence reviewed)*	Sighted Memo dated 3/6/2025 “Pengemukaan Permohonan Cuti sekurangnya 3 hari Bekerja Sebelum Tarikh Mula Cuti. Sighted established Standby scheduled for maintenance team June to Dec 2025. Sighted Memo dated 28/5/2025 tittle Addressing Excessive Working Hours in Mill operations communicated to workers. Sighted briefing attendant dated 29/5/2025 submitted.
Status of Nonconformity	☒ Closed ☐ Open
Date of Closure:	21/8/2025

Indicator Number	6.2.4
Nonconformity Number	RAR 01 2025
Nonconformity Category	☒ Major Nonconformity ☐ Minor Nonconformity
Recurring Nonconformity	☐ Yes ☒ No
Date of Nonconformity Issued	23/5/2025
Nonconformity Issued To *(when more than one site/member)*:	
Deadline:	☒ 3 months from date of closing meeting ☐12 months from date of closing meeting
Mode of Nonconformity Closure	☐ Onsite ☒ Off-site
Standard Reference	**RSPO P&C MYNI**
Nonconformity Statement: The Certification Unit provides inadequate educational amenities that do not meet national standards or higher, especially in areas where no public facilities are available or accessible.	
Evidence: During site visit at CLC Masang Estate, it was found that the classrooms do not meet national standards or higher — Classroom 1 (3m x 6m), Classroom 2 (3m x 9m), and Classroom 3 (3m x 6m). All students were seated on the floor, and the tables provided were not suitable or comfortable for learning. As per National guidance from JKR Standard Drawing for Sekolah Rendah & Menengah in collaboration with MOE - Standard classroom size: 63m² (7m x 9m). During an interview with the teacher (appointed by the Indonesian Government), it was stated that as of May 2025, the total number of students was 135. An additional 66 new students are expected to register in July 2025, based on current registration data. Only 11 students are expected to graduate.	
Root Cause Analysis	Masang CLC school was originally developed to accommodate elementary school (SD) children. However the number of students increased over time due to enrolment SMP and SMA students. The inadequate educational infrastructure is due to insufficient planning and failure to account for student population growth. There is also lack of structured monitoring and periodic review of facility compliance against national standards.
Correction(s)	Reorganizing classroom schedules or assigning temporarily room to serve as classrooms to reduce overcrowding and improve classroom conditions. Conduct minor upgrading (if any) to existing classroom to enhance learning conditions in the short term. Procuring suitable desks and chairs for existing students.
Corrective Action Implemented *(including any evidence submitted)*	Proposed construction of Community Learning Centre (CLS) at Masang Estate. Detailed infrastructure plan layout will be developed in line with JKR/MOE national standards. Annually assess student enrolment trends and facilities requirements to ensure CLC infrastructure remains aligned with the JKR/MOE national standards.

Date of Response	15/8/2025
Audit Team Conclusion *(including any evidence reviewed)*	Sighted proposed construction of CLC at Masang estate. The organization had established Management Action Plan for Masang CLC and as at August in preparing tender process.
Status of Nonconformity	☒ Closed ☐ Open
Date of Closure:	21/8/2025

Indicator Number	3.7.2
Nonconformity Number	RAR 04 2025
Nonconformity Category	☐ Major Nonconformity ☒ Minor Nonconformity
Recurring Nonconformity	☐ Yes ☒ No
Date of Nonconformity Issued	23/5/2025
Nonconformity Issued To *(when more than one site/member)*:	
Deadline:	☐ 3 months from date of closing meeting ☒12 months from date of closing meeting
Mode of Nonconformity Closure	☐ Onsite ☒ Off-site
Standard Reference	**RSPO P&C MYNI**
Nonconformity Statement: Training records were not properly maintained, training sessions were not conducted appropriately, and the training content was not well understood by the employee.	
Evidence: Several training sessions related to the Minimum Wages Order 2024 were conducted by the Certification Unit (CU). However, during interviews with employees paid on a piece-rate basis, it was found that these workers lacked a clear understanding of the Minimum Wages Order 2024 and the Sabah Labour Ordinance. Specifically, employees reported being required to work beyond normal working hours if their daily targets were not met daily minimum wages. Additionally, the details of the contract agreements—particularly clauses concerning conditions under which the contract may be considered broken by either party—were not clearly communicated or understood by the employees.	
Root Cause Analysis	Lack of a training effectiveness monitoring and inadequate follow up to assess worker understanding and retention of the training provided.

Correction(s)	Conduct refresher training on the minimum wages and Sabah Labour Ordinance for the worker especially on piece rate wages. Communicate and clarify the terms and conditions in worker contract agreement regarding the contract termination clauses.
Corrective Action Implemented *(including any evidence submitted)*	Implement training effectiveness evaluation form for post training assessments and workers feedback. Improve the training delivery method to enhance worker understanding Maintain and update worker training attendant records and include sample workers understanding.
Date of Response	15/8/2025
Audit Team Conclusion *(including any evidence reviewed)*	Will verify in next audit
Status of Nonconformity	☐ Closed ☒ Open
Date of Closure:	DD Mmm YYYY

Add tables as necessa

8. Opportunity for Improvement (OFI) Issue in this Audit

Indicator Number	
Opportunity for Improvement Number	
Date of Opportunity for Improvement Issued	DD Mmm YYYY
Opportunity for Improvement Issued To *(when more than one site/member)*:	
Standard Reference	
Opportunity for Improvement Statement:	

Add tables as necessary

9. Status of Nonconformities Previously Identified and Opportunity for Improvement

Indicator No	Nonconformity No	Evidence Observed / Nonconformity Raised	Auditee Response Correction / Corrective Action	Verification of Correction/ Corrective Action	Conclusion /Status
3.3.2	DA 01 2024	Finding: The mechanism for checking the consistent implementation of the social impact assessment plan was not effectively executed. Objective evidence: Based on interviews at Masang Estate with the Community Learning Center (CLC) teachers, several workers (especially parents who paid the transport charge), and Mr. Muslimim (who provides transport services), it was confirmed that there is a transport charge of RM25 per month for workers to transport students from their houses to the CLC. This finding is not in line with their plan, which stated that transport charges would be covered for the workers.	Correction: i) To provide free transportation (or transportation cost is absorbed by company) for workers children to the CLC for children between the age of 6 to 12 years old. ii) The SIA plan will be reviewed and revised to amend any ambiguous plan to ensure that the plan is clearly stated so that estates' management can implemented the plan correctly. Corrective action: i) Conduct a meeting with relevant parties (workers, CLC teachers and transport service providers) to clearly explain the plan for free transportation for CLC children and ils implementation. ii) The social action plan related to the transport of CLC children will be updated and reviewed to ensure it is clear and enforceable. iii) Implement regular audits to monitor compliance of the amended plan of free transportation for CLC children.	Root cause accepted. The auditor has verified the attached evidence, including: 1) Minutes of the meeting between Masang Estate management, workers, CLC teachers, and transport service providers dated 21/06/2024. The minutes clearly explain the plan and implementation of free transportation for CLC children. 2) The updated SIA management plan clearly describes the provision of transport for CLC children.	**Status: Closed**

				It was concluded that the measures implemented as outlined above were effective in addressing the findings.	
7.8.1	RMN 01	Finding: The organization did not implement action identified as per water management plan. Objective evidence: Based on company water management plan reviewed on 31/3/2024 required Masang estate to conduct 2 points river water monitoring. However, the estate had yet to conduct river water analysis in 2024.	Correction: Masang Estate will identify the 2 points of river water sampling as per stated in the management plan and will proceed to conduct the river water analysis for year 2024 as per requirement. Corrective action: Sustainability Dept. will monitor the water samples from the estates for analysis purposes to ensure that the respective estates' management submits their waler samples accordingly (river water & treated water) for analysis as per requirement.	The organization had established action plan which include monitoring of river water quality monitoring which restrict access to clean water or contribute to pollution of water used by communities. The organization had identified water sampling point at all estates and documented inside water management plan. Monitoring of outgoing water been conducted accordingly.	***Minor NCR RMN 01*** effectively closed.

Indicator No	Opportunity for Improvement Number	Opportunity for Improvement Statement:	Verification / Follow-up actions:
-Not Applicable-			

10. Stakeholder Consultation Process

CB should ensure that all relevant stakeholders are consulted. The relevant stakeholders include but are not limited to statutory bodies, indigenous peoples, local communities (including women representatives, and displaced communities), workers and workers' organisations (including migrant workers), smallholders, and local and national NGOs.

Date of public announcement made: Not Applicable

Summary of stakeholder's comments and the CB's responses and findings are presented in the table below:

11.1 For Audit Report

No	Consulted Stakeholders *Name of Stakeholders*	Date of Consultation/ Comment Received	Method of Consultation/Comment received	Feedback/Comments/Issue Raised Received from Stakeholders	CB's Responses

No	Consulted Stakeholders *Name of Stakeholders*	Date of Consultation/ Comment Received	Method of Consultation/Comment received	Feedback/Comments/Issue Raised Received from Stakeholders	CB's Responses
	Employees / Workers Organizations (local / foreign / contractor workers / male & female)	*19-23/5/2025*	Site interviewed	Based on interviews conducted with mill and estates workers, including both local and Indonesian workers, involving both male and female employees engaged in various work scopes. a. Daily rated workers confirmed that they receive a minimum wages per month. For piece-rated workers, so long they have achieved their target, they too will get a minimum wage. They receive their salaries before 7th of every month. b. Workers work 6 days a week with one rest day (Sunday) and from assessment found that workers still working for 48 hours and raised by Major NCR RAR 02. *c.* Any overtime work is mutually agreed between workers and management, and that there is no element of forcing. However found that excessive overtime occurred at mill. Hence *Major NCR ISMA 01* raised. d. Foreign workers are not subjected to any recruitment fee. Foreign workers kept their own passports and will only return the passport to office for renewal. e. Workers are generally satisfied with the way complaints lodged are acted upon. Delays in house	The management need to implemented human rights values in compliance with international laws and industry best practices. During this audit, three NCR had been issues related to social aspects, including labor rights, workplace discrimination, or ethical treatment of workers, were identified. The company has established proper mechanisms to ensure fair wages, safe working conditions, non-discriminatory policies, and grievance resolution processes. Additionally, workers have access to proper accommodation, medical facilities, and channels to voice their concerns without fear of retaliation. This demonstrates the management's commitment to supporting social responsibility and ethical labor practices. And all these NCR had been closed by CU.

				repairs, if any, are usually due to the need to order repair parts. f. Workers, including foreign workers get to appoint their own representatives. There is no interference of influence applied by the employer. g. Samples of payslips were also examined and verified to ensure that workers were being paid in accordance with the requirements stipulated under the Minimum Wages Order 2024 and the Sabah Labour Ordinance. However found the contractor payslip are not accordance with Sabah Labour Ordinance and hence Major NCR ISMA 01 had be raised. h. Interviewed with workers also found that some group of workers who were dismissed are reported from entering estate premise to meet with their family members and this been raised as Major NCR RAR 03.	
	Worker representative	*19-23/5/2025*	Site interviewed	All local and Indonesian workers confirmed that their leaders were freely elected by the workers themselves. No issues were reported by the workers during the audit. In the event of any issues, they stated that they would discuss them with management, who would then take appropriate action to resolve the matter. There were no indications of discrimination, as all workers are treated equally by the management.	No issues on management and continuously communicate with foreign and local workers during JCC meeting on annual basis. Any issue raised will be registered and follow up using SIA action plan.

				Overtime work is offered on a voluntary basis.	
	Gender committee representative	*19-23/5/2025*	Site interviewed	They stated that management treats female workers equally to male workers, including in job opportunities and promotions, based on performance and capability. They also confirmed that no cases of discrimination, sexual harassment, or domestic violence have been reported. Additionally, they are aware of the reporting channels should any such cases occur in the estate.	Reviewed records of meeting minutes for gender committee verified the discussion been recorded. Onsite interview confirmed no discrimination and sexual harassment lodged by female workers and minutes.
	Villagers / Local communities (including women representatives, displaced communities)	*19-23/5/2025*	Site interviewed	Audit interview with the local communities from Kg Batu 8, Kg Lot M, Kg Buang Sayang, Kg Sungai Rotan, Kg Sri Nusa Jaya and Kg Berjaya Satu and confirmed that there were no land issues and good relationship.	A review of the meeting minutes from the external stakeholders' consultation, confirms that external stakeholders attended the meeting, and no negative feedback or grievances were raised.
	Suppliers and contractors	*19-23/5/2025*	Site interviewed	All suppliers, contain specific clauses on meeting applicable legal requirements as verified through online vendor and the ABC Policy which apply to all contractors for due diligence and meeting legal requirements.	The Mill and Estates have no direct contact with suppliers and buyers. Tender awards to be decided by tender committee and refers to Contractor SOP Induction procedure to ensure independence and transparency; and vendor COBC developed to outline the standards of behaviour required by KHB vendors which includes expectation to uphold human rights. The Vendor COBC

					applies to all its suppliers, consultants, agents, contractors /service providers who have direct dealings with the Group. All vendors are required to declare their compliance through the Contract Agreement which includes a declaration to eradicate all forms of exploitation, including but not limited to modern day slavery and human trafficking.

11.3 Summary of workers interviewed, and the CB's responses and findings are presented in the table below:

Total Workers in the Unit of Certification			**345**	
Sampled Worker Consulted/ Interviewed in This Audit			**119**	
No	**Type of Workers Consulted/ Interviewed**	**Interview Method**	**Feedback/Comments/Issue Raised/ Received from Workers**	**CB's Responses**
1	Employees / Workers Organizations (local / foreign / contractor workers / male & female)	Small Group	Based on interviews conducted with mill and estates workers, including both local and Indonesian workers, involving both male and female employees engaged in various work scopes. i. Daily rated workers confirmed that they receive a minimum wages per month. For piece-rated workers, so long they have achieved their target, they too will get a	The management need to implemented human rights values in compliance with international laws and industry best practices. During this audit, three NCR had been issues related to social aspects, including labor rights, workplace discrimination, or ethical treatment of workers, were identified. The company has established proper mechanisms to ensure fair wages, safe working conditions, non-discriminatory policies, and grievance resolution processes. Additionally, workers have access to proper

			minimum wage. They receive their salaries before 7th of every month. j. Workers work 6 days a week with one rest day (Sunday) and from assessment found that workers still working for 48 hours and raised by Major NCR RAR 02. *k.* Any overtime work is mutually agreed between workers and management, and that there is no element of forcing. However found that excessive overtime occurred at mill. Hence *Major NCR ISMA 01* raised. l. Foreign workers are not subjected to any recruitment fee. Foreign workers kept their own passports and will only return the passport to office for renewal. m. Workers are generally satisfied with the way complaints lodged are acted upon. Delays in house repairs, if any, are usually due to the need to order repair parts. n. Workers, including foreign workers get to appoint their own representatives. There is no interference of influence applied by the employer. o. Samples of payslips were also examined and verified to ensure that workers were being paid in accordance with the requirements stipulated under the Minimum Wages Order 2024 and the Sabah Labour Ordinance. However found the contractor payslip are not accordance with Sabah Labour Ordinance and hence Major NCR ISMA 01 had be raised. p. Interviewed with workers also found that some group of workers who were dismissed are reported from entering estate premise to meet with their family members and this been raised as Major NCR RAR 03.	accommodation, medical facilities, and channels to voice their concerns without fear of retaliation. This demonstrates the management's commitment to supporting social responsibility and ethical labor practices. And all these NCR had been closed by CU.

2	Worker representative	Small Group	All local and Indonesian workers confirmed that their leaders were freely elected by the workers themselves. No issues were reported by the workers during the audit. In the event of any issues, they stated that they would discuss them with management, who would then take appropriate action to resolve the matter. There were no indications of discrimination, as all workers are treated equally by the management. Overtime work is offered on a voluntary basis.	No issues on management and continuously communicate with foreign and local workers during JCC meeting on annual basis. Any issue raised will be registered and follow up using SIA action plan.
3	Gender committee representative	Small Group	They stated that management treats female workers equally to male workers, including in job opportunities and promotions, based on performance and capability. They also confirmed that no cases of discrimination, sexual harassment, or domestic violence have been reported. Additionally, they are aware of the reporting channels should any such cases occur in the estate.	Reviewed records of meeting minutes for gender committee verified the discussion been recorded. Onsite interview confirmed no discrimination and sexual harassment lodged by female workers and minutes.
4	Villagers / Local communities (including women representatives, displaced communities)	Individual	Audit interview with the local communities from Kg Batu 8, Kg Lot M, Kg Buang Sayang, Kg Sungai Rotan, Kg Sri Nusa Jaya and Kg Berjaya Satu and confirmed that there were no land issues and good relationship.	A review of the meeting minutes from the external stakeholders' consultation, confirms that external stakeholders attended the meeting, and no negative feedback or grievances were raised.
5	Suppliers and contractors	Individual	All suppliers, contain specific clauses on meeting applicable legal requirements as verified through online vendor and the ABC Policy which apply to all contractors for due diligence and meeting legal requirements.	The Mill and Estates have no direct contact with suppliers and buyers. Tender awards to be decided by tender committee and refers to Contractor SOP Induction procedure to ensure independence and transparency; and vendor COBC developed to outline the standards of

				behaviour required by KHB vendors which includes expectation to uphold human rights. The Vendor COBC applies to all its suppliers, consultants, agents, contractors /service providers who have direct dealings with the Group. All vendors are required to declare their compliance through the Contract Agreement which includes a declaration to eradicate all forms of exploitation, including but not limited to modern day slavery and human trafficking.

11.4 Consultation with Previous Land User - Not Applicable

Total Identified Previous Land User in the Unit of Certification				
Sampled Previous Land User in This Audit				
Name of Previous Land User	**Contact Details (address/telephone/email)**	**Total Area (Ha)**	**Date of Consultation**	**Result of Discussion with Previous Land User**
Add rows as necessary			DD Mmm YYYY	

11. Time Bound Plan

Name of the Management Unit	Country	Name of the Mills and Supply Bases	Total Managed Area (Ha)	Certification Status	Plan Year for Certification	Actual Certification Year	New Proposed Year for Certification
Syarikat Kretam Mill	Malaysia	Syarikat Kretam Mill	33.54	Certified	2016	2016	
		Bode Estate	3,472.82	Certified	2016	2016	
		Masang Estate	3,178.62	Certified	2016	2016	
		Sapagaya Estate	3,049.77	Certified	2016	2016	
		Bukit Sekong Estate	956.96	Certified	2016	2016	
		Seraya Estate	853.43	Certified	2024	2023	
Abedon Oil Mill	Malaysia	Abedon Oil Mill	13.85	Certified	2017	2017	
		Kolopis Estate	2,489.86	Certified	2017	2017	
		Tanaki Estate	2,628.03	Certified	2017	2017	
Silimpopon Mill	Malaysia	Silimpopon Mill	38.06	Certified	2018	2020	
		Silimpopon 1 Estate	3,934.82	Certified	2018	2020	
		Silimpopon 2 Estate	4,155.18	Certified	2018	2021	

12. Requirements on Multiple Management Unit

Requirement	Findings/Compliance
A time bound plan for certifying all its management units and/or entities, including the units where the organisation has management control and no or minor shareholding has been established by the certification unit.	Applicable
Was the time bound plan submitted during the initial audit?	Yes
Does the time bound plan contain a current list of all estates and mills?	Yes
Does the time bound plan include the certification of all estates and mills within five years after obtaining RSPO membership?	All estates and mills under KHB Plantation were already certified.

Are there any new acquisitions of land done by the certification unit since the last audit? If YES, is the time bound plan updated to indicate that the newly acquired land is to becertified within a three year timeframe?	No
If there are any deviations from these maximum periods, did the Unit of Certification request approval from the RSPO Secretariat?	All estates and mills under KHB Plantation were already certified.
Has the CB verified the progress of the time bound plan established by the Unit of Certification during the annual surveillance audit? *Note: If the CB conducting the surveillance audit differs from the CB that initially accepted the time bound plan, the latter CB must assess the appropriateness of the time bound plan at the time of its first involvement and will only verify its continued appropriateness thereafter.*	All estates and mills under KHB Plantation were already certified.
Is there any revision made to the time bound plan? If YES, has the revised time bound plan been reviewed by the CB? *Note: Changes to the time bound plan are allowed only if the organisation can provide evidence to the CB that these changes are justified.*The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or Chamber of Commerce (or equivalent).	All estates and mills under KHB Plantation were already certified.

Are there any isolated lapses in the implementation of a time bound plan? If YES, a minor non-compliance shall be raised.	All estates and mills under KHB Plantation were already certified.
Is there any evidence of fundamental failure to proceed with the implementation of the plan? If YES, a major non-compliance shall be raised.	All estates and mills under KHB Plantation were already certified.

13. Requirements for Uncertified Management Units

Requirement	Findings/Compliance
Is there any replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3 since 1st January 2010? If YES, did the CB verify that it complies with the RSPO New Planting Procedure (NPP)? *Note: For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB*	Not applicable due to there is no uncertified management units under KHB Plantation.
Are there any land conflicts reported/ identified within any Un-Certified Management Unit belonging to the RSPO Member? If YES, has it been resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8.? *Note: In case of issues related to land conflicts identified by the CB, details of the status/ progress to resolve such matters shall be clearly explained.*	Not applicable due to there is no uncertified management units under KHB Plantation.
Is there any labour dispute reported/ identified within any Un-Certified Management Unit belonging to the RSPO Member? If YES, is it being resolved through a mutually agreed process, per RSPO P&C criterion 4.2?	Not applicable due to there is no uncertified management units under KHB Plantation.

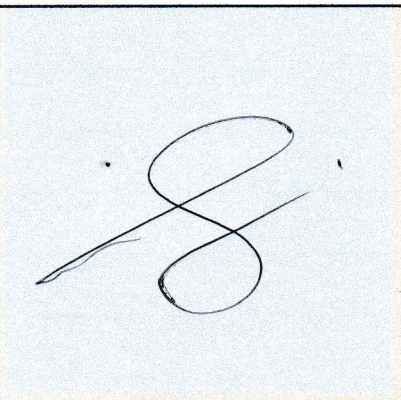
Note: In case of an issue related to labour dispute identified by the CB, details of the status/ progress to resolve such matter shall be clearly explained.	
Is there any legal non-compliance reported/ identified within any Un-Certified Management Unit belonging to the RSPO Member? If YES, has it been addressed through measures consistent with the requirements of RSPO P&C criterion 2.1? *Note: In case of an issue related to legal non-compliance identified by the CB, details of the status/ progress to resolve such matter shall be clearly explained.*	Not applicable due to there is no uncertified management units under KHB Plantation.
Has a positive assurance statement been provided based on their self-assessment (i.e., internal audit) regarding the requirements for Un-Certified Management Units?*Note:* *1. This would necessitate evidence of the self-assessment for each requirement.* *2. A POSITIVE ASSURANCE statement is MANDATORY to indicate the outcome of self-assessment.*	Not applicable due to there is no uncertified management units under KHB Plantation.

Did the CB conduct targeted stakeholder consultation (including consultation with the relevant NGO's) to evaluate the compliance related to Requirements on the Un-Certified Management Unit?	Not applicable due to there is no uncertified management units under KHB Plantation.
Did the CB conduct desktop study on the Un-Certified Management Unit to identify risk of any potential non-compliances? *Note: (e.g. relevant complaints, labour disputes, land conflicts)*	Not applicable due to there is no uncertified management units under KHB Plantation.
Based on the result of the desktop study, did the CB decide to perform further stakeholder consultation or field inspection to assess the risk of any potential non-compliance with the requirements (as necessary)?	Not applicable due to there is no uncertified management units under KHB Plantation.

14. Audit Conclusion & Recommendation

Audit finding	
☐	No nonconformity recorded.
☒	Minor nonconformity recorded. A corrective action plan has been accepted. Verification of the nonconformity(ies) to be carried out in the next audit.
☒	Major nonconformity recorded. Evidence of implementation of the corrective actions have been accepted by the audit team. The nonconformity(ies) have been satisfactorily closed out.
Recommendation	
☐	Certification (Initial Certification)
☒	Continue certification (Annual Surveillance Audit)
☐	Renewal for certification (Recertification)
☐	Not recommended for certification. Reason: (*Please provide the reason/ justification)*

15. Acknowledgment of Internal Responsibility and Formal Sign-off Assessment Findings

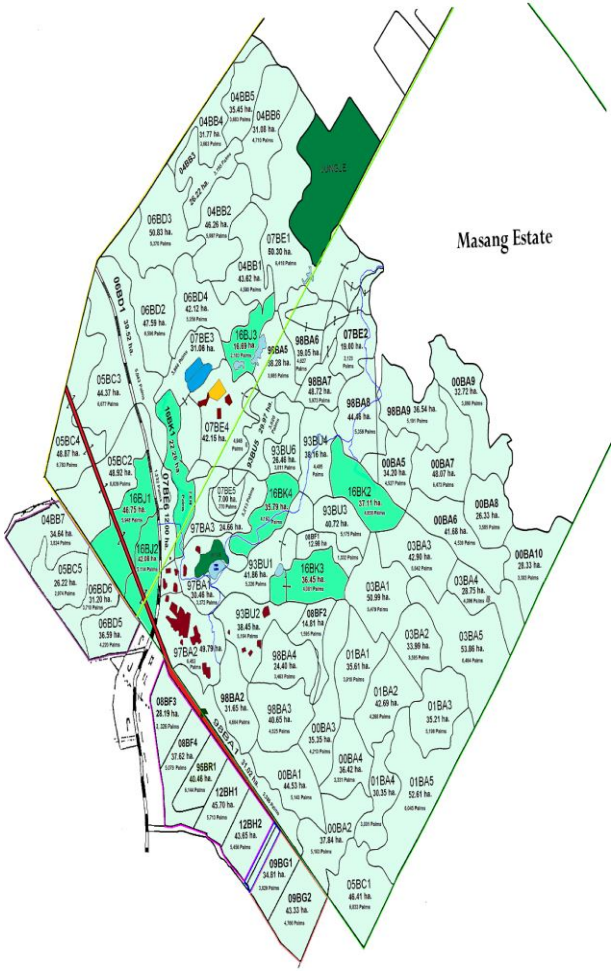
Signing by the Management Unit		
I the undersigned, being the most senior management representative of the operation seeking or holding certification, agree with the contents and audit findings presented in this document. Furthermore, I confirm the following: · Acceptance of responsibility in execution of the instructions given. · That this company was made aware that the recommendation of the Audit Team is tentative, pending review and decision by the Certification Decision Maker assigned by the CB. · That during the closing meeting all agenda items were covered by the Audit Team Leader.		
Acknowledged by:		
Name	Spencer Joseph	
Position	Assistant Manager HR & Sustainability	
Date	09/09/2025	 Signature

Signing by the Audit Team Leader		
I, the undersigned, being the Audit Team Leader, confirm that this report accurately reflects the findings and proceedings of the closing meeting. Furthermore, I affirm that the summary of the findings presented in this report is a true and accurate representation of the actual findings of the Audit Team.		
Acknowledged by:		 Signature
Name	Rohazimi Mat Nawi	
Position	Audit Team Leader	
Date	24/8/2025	

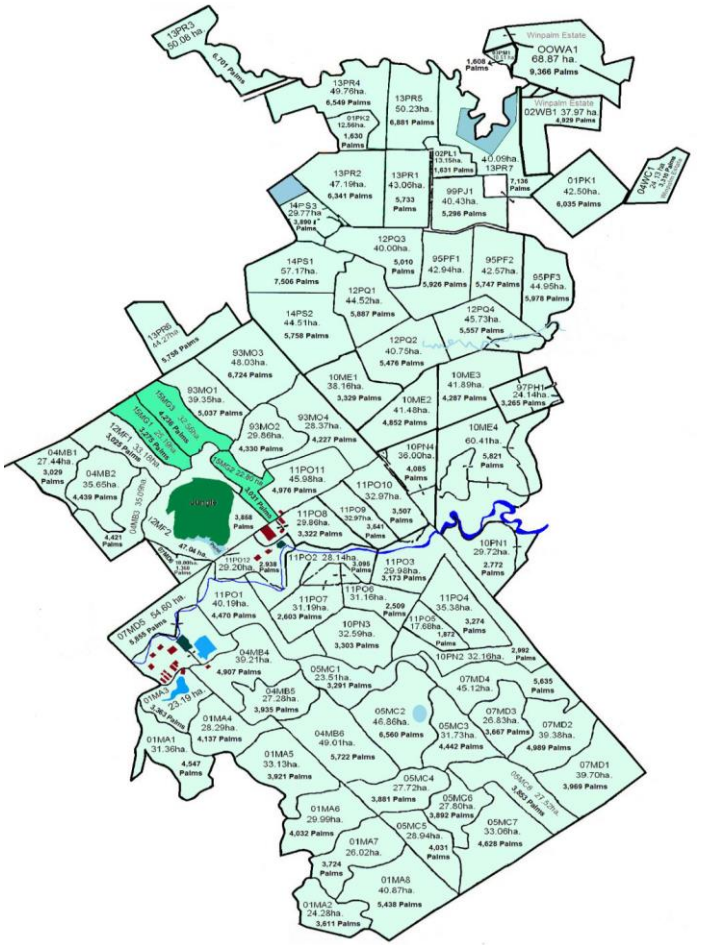
Signing by the Certification Decision Maker		
I, the undersigned, being the Certification Decision Maker, confirm that the information and conclusions contained in this report have been prepared in good faith and that the certification decision has been made based upon this information.		
Acknowledged by:		 Signature
Name	Kamini Sooriamoorthy	
Position	Section Head	
Date	01/09/25	

Appendix 1: Location Map Unit of Certification and Supply bases

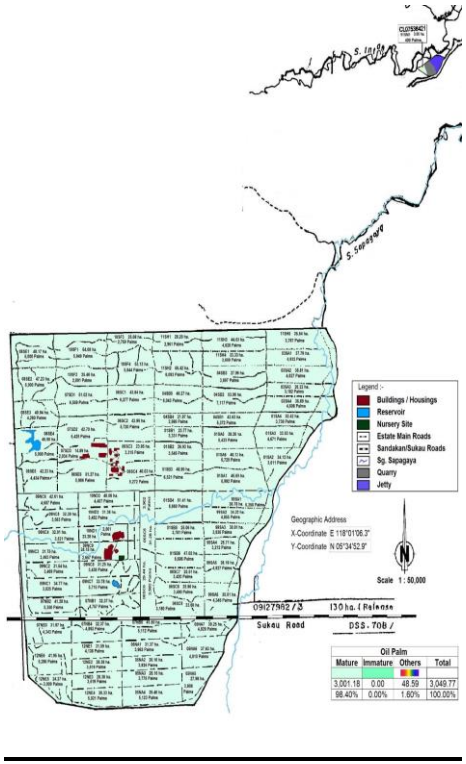
Bode Estate



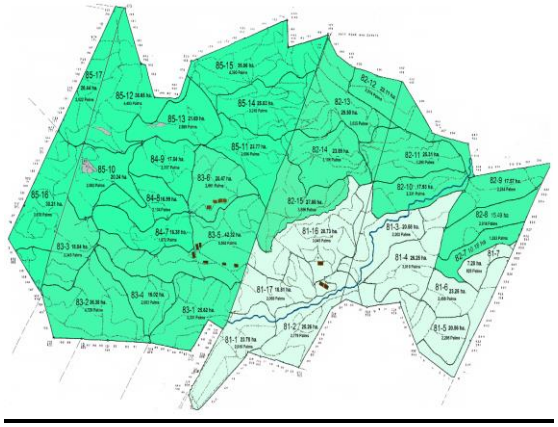
Masang Estate



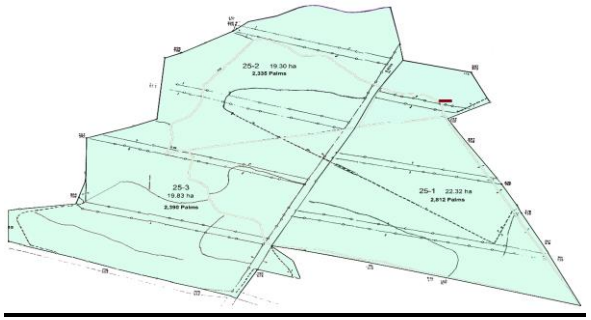
Sapagaya Estate

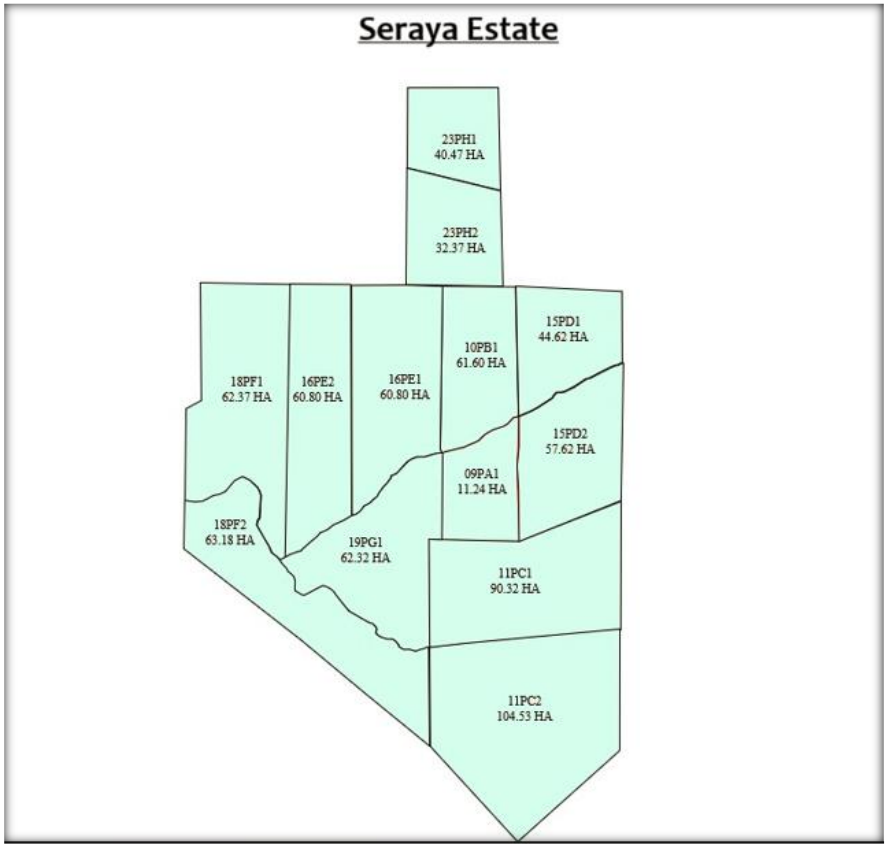


Bukit Sekong Estate



Bukit Sekong-Sukau Division




Seraya Estate
23PH1
40.47 HA
23PH2
32.37 HA
18PF1
62.37 HA
16PE2
60.80 HA
16PE1
60.80 HA
10PB1
61.60 HA
15PD1
44.62 HA
15PD2
57.62 HA
09PA1
11.24 HA
18PF2
63.18 HA
19PG1
62.32 HA
11PC1
90.32 HA
11PC2
104.53 HA

Appendix 2: History of the changes in the current certification cycle

Assessment Type	Date of Audit	Changes
Annual Surveillance Audit 3	19-23/5/2025	Changes to planted area (Masang Estate) 2025. i) The total planted area increased by 20 hectares for oil palm planting due to reallocation of land previously designated for Acacia tree planting area. This involved reverting 20 hectares of softwood planting back to oil palm cultivation. ii) 1.90 hectares removed from planted area (block 24MJ4) due to slope area.

Appendix 3: Greenhouse Gas (GHG) Reporting Summary

The GHG emissions produced by the Unit of Certification (POM and its supply bases) in the period of January 2024 until Deember 2024 have been calculated using the RSPO PalmGHG Calculator (version 4). The assessment team had verified the data input in the PalmGHG Calculator against operations records. The Certification Unit has selected the following options from the PalmGHG Calculator when preparing inputs for the GHG emissions calculations:

☒ Apply Full Version

☒ Exclude LUC Emissions

The summary of the Net GHG emitted in December 2024 for Kretam POM and supply base are as following:

1. **Summary of Emissions**

Description	**tCO_2eq/t product**
CPO	0.31
PK	0.31
PKO	0.00
PKE	0.00

Extraction	**%**
OER	20.77
KER	4.58

2. Summary of Plantation/Field Emissions and Sink

Land Use	Ha
OP Planted Area	14,727.32
OP Planted on Peat	0.00
Conservation (Forested)	534.71
Conservation (Non-Forested)	0.00
Total	**15,262.03**

Production	t/year
FFB Processed	154,321.53
CPO Produced	32,047.12

	Own Crop		Group		3rd Party		Total
	tCO_2e	tCO_2e/ tFFB	tCO_2e	tCO_2e/ tFFB	tCO_2e	tCO_2e/ tFFB	
Land Conversion	102,288.39	0.67	43,167.88	22.51	0	0	145,456.27
CO_2 Emission from Fertilizer	2,901.76	0.28	853.80	0.45	0	0	3,755.57
N_2O Emission	2,285.01	0.22	559.49	0.29	0	0	2,844.50
Fuel Consumption	2,893.57	0.28	0	0	0	0	2,893.58
Peat Oxidation	0	0	0	0	0	0	0
Crop Sequestration	-96,955.81	-0.64	-40,917.44	-21.34	0	0	-137,873.25
Sequestration in Conservation Area	-2,292.50	-0.02	-2,610.79	-1.36	0	0	-4,903.29
Total	**11,120.43**	**0.07**	**1,052.94**	**0.55**	**0**	**0**	**12,173.37**

**Note: Includes both estates and smallholders (delete whichever not applicable)*

3. Summary of Mill Emission and Credits

	tCO_2	tCO_2e/t FFB
Emission		
POME	0	0
Fuel Consumption	134.31	0
Grid Electricity Utilization	0	0
Credit		
Export of Excess Electricity to Housing & Grid	0	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	**134.31**	**0**

4. Palm Oil Mill Effluent (POME) Treatment

Description	%
Divert to compost	100
Divert to anaerobic digestion	0

5. POME Diverted to Anaerobic Digestion

Description	%
Diverted to anaerobic pond	63.85
Diverted to methane capture (Flaring)	0
Diverted to methane capture (electricity generation)	36.15